

**ADMINISTRATIVE/EXECUTIVE GROUP
SUMMARY**

	Page #	Appropriation	Departmental Revenue	Local Cost
<u>GENERAL FUND</u>				
BOARD OF SUPERVISORS SUMMARY	87			
BOARD OF SUPERVISORS	88	6,879,883	-	6,879,883
LEGISLATION	90	898,405	-	898,405
CLERK OF THE BOARD	92	1,492,677	135,287	1,357,390
COUNTY ADMINISTRATIVE OFFICE SUMMARY	96			
COUNTY ADMINISTRATIVE OFFICE	97	5,299,244	-	5,299,244
FRANCHISE ADMINISTRATION	100	304,387	-	304,387
LITIGATION	102	388,681	-	388,681
JOINT POWERS LEASES	104	21,437,356	-	21,437,356
HEALTH ADMINISTRATION	107	159,507,612	144,507,612	15,000,000
COUNTY COUNSEL	123	9,910,938	4,454,209	5,456,729
HUMAN RESOURCES SUMMARY	127			
HUMAN RESOURCES	128	7,491,561	373,794	7,117,767
THE CENTER FOR EMPLOYEE HEALTH & WELLNESS	132	1,048,542	732,542	316,000
UNEMPLOYMENT INSURANCE	135	4,000,500	-	4,000,500
INFORMATION SERVICES SUMMARY	142			
APPLICATION DEVELOPMENT	143	16,791,086	4,693,984	12,097,102
PURCHASING SUMMARY	157			
PURCHASING	158	1,307,588	50,000	1,257,588
BEHAVIORAL HEALTH SUMMARY	186			
BEHAVIORAL HEALTH	188	178,566,791	176,724,038	1,842,753
ALCOHOL AND DRUG SERVICES	192	22,108,176	21,958,718	149,458
PUBLIC HEALTH SUMMARY	205			
PUBLIC HEALTH	206	86,748,420	82,052,587	4,695,833
CALIFORNIA CHILDREN'S SERVICES	212	19,246,486	15,262,299	3,984,187
INDIGENT AMBULANCE	216	472,501	-	472,501
LOCAL AGENCY FORMATION COMMISSION	226	338,215	-	338,215
COUNTY SCHOOLS	228	4,308,605	-	4,308,605
TOTAL GENERAL FUND		<u>548,547,654</u>	<u>450,945,070</u>	<u>97,602,584</u>



**ADMINISTRATIVE/EXECUTIVE GROUP
SUMMARY**

	<u>Page #</u>	<u>Appropriation</u>	<u>Departmental Revenue</u>	<u>Fund Balance</u>
<u>SPECIAL REVENUE FUNDS</u>				
COUNTY ADMINISTRATIVE OFFICE:				
AMBULANCE PERFORMANCE BASED FINES	111	306,451	131,000	175,451
PEDIATRIC TRAUMA	113	337,337	322,569	14,768
HOSPITAL PREPAREDNESS	115	518,850	288,803	230,047
MASTER SETTLEMENT AGREEMENT	119	27,434,886	18,500,000	8,934,886
FEDERAL FOREST RESERVE	121	9,358	-	9,358
HUMAN RESOURCES:				
COMMUTER SERVICES	137	1,188,838	505,000	683,838
EMPLOYEE BENEFITS & SERVICES	139	4,018,529	2,600,108	1,418,421
ARROWHEAD REGIONAL MEDICAL CENTER:				
TOBACCO TAX FUNDS	182	2,258,056	1,717,828	540,228
ARCHSTONE FOUNDATION GRANT	184	44,509	10,802	33,707
BEHAVIORAL HEALTH:				
MENTAL HEALTH SERVICES ACT	195	49,141,817	20,624,815	28,517,002
DRIVING UNDER THE INFLUENCE PROGRAMS	197	316,662	122,000	194,662
BLOCK GRANT CARRYOVER PROGRAM	199	7,186,110	1,384,560	5,801,550
COURT ALCOHOL AND DRUG PROGRAM	201	1,108,779	391,000	717,779
PROPOSITION 36	203	6,257,075	6,207,773	49,302
PUBLIC HEALTH:				
BIO-TERRORISM PREPAREDNESS	218	4,266,694	3,338,135	928,559
TOBACCO USE REDUCTION NOW	220	404,454	404,454	-
VITAL STATISTICS STATE FEES	222	589,664	169,250	420,414
VECTOR CONTROL ASSESSMENTS	224	3,832,567	1,851,151	1,981,416
TOTAL SPECIAL REVENUE FUNDS		<u>109,220,636</u>	<u>58,569,248</u>	<u>50,651,388</u>

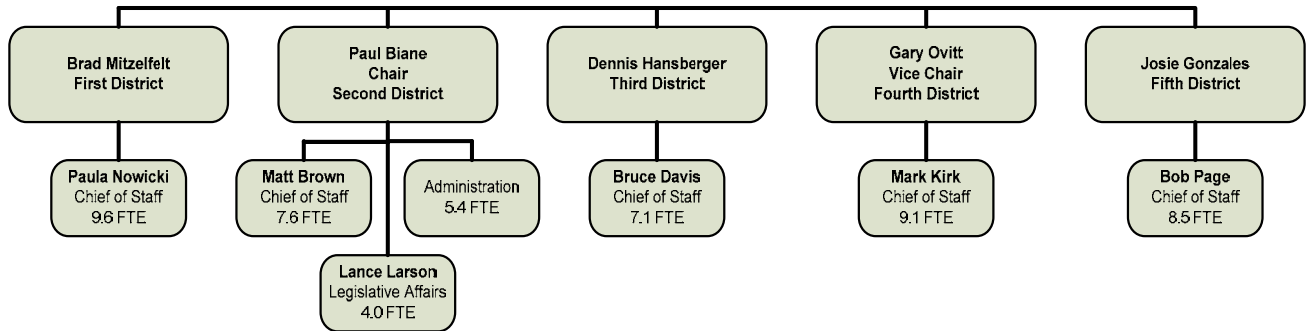
	<u>Page #</u>	<u>Appropriation</u>	<u>Departmental Revenue</u>	<u>Revenue Over (Under) Exp</u>
<u>INTERNAL SERVICES FUNDS</u>				
INFORMATION SERVICES:				
COMPUTER OPERATIONS	146	19,939,665	21,610,442	1,670,777
NETWORK SERVICES	150	23,957,594	24,518,025	560,431
800 MHZ REBANDING	154	25,000	25,000	-
PURCHASING:				
PRINTING SERVICES	161	3,665,519	3,708,849	43,330
SURPLUS PROPERTY AND STORAGE OPERATIONS	164	4,645,121	4,706,000	60,879
MAIL/COURIER SERVICES	166	7,067,755	7,093,188	25,433
RISK MANAGEMENT SUMMARY	169			
OPERATIONS	170	7,082,321	7,082,321	-
INSURANCE PROGRAMS	173	70,334,073	106,326,183	35,992,110
TOTAL INTERNAL SERVICE FUNDS		<u>136,717,048</u>	<u>175,070,008</u>	<u>38,352,960</u>

	<u>Page #</u>	<u>Appropriation</u>	<u>Departmental Revenue</u>	<u>Revenue Over (Under) Exp</u>
<u>ENTERPRISE FUNDS</u>				
COUNTY ADMINISTRATIVE OFFICE:				
MEDICAL CENTER LEASE PAYMENTS	117	53,419,848	53,008,963	(410,885)
ARROWHEAD REGIONAL MEDICAL CENTER SUMMARY	176			
ARROWHEAD REGIONAL MEDICAL CENTER	177	364,151,503	361,628,449	(2,523,054)
TOTAL ENTERPRISE FUNDS		<u>417,571,351</u>	<u>414,637,412</u>	<u>(2,933,939)</u>



BOARD OF SUPERVISORS Paul Biane, Chairman

ORGANIZATIONAL CHART



Legislative Affairs is a
separate budget unit.

SUMMARY OF BUDGET UNITS

	2007-08			
	Appropriation	Revenue	Local Cost	Staffing
Board of Supervisors	6,879,883	-	6,879,883	57.3
Legislation	898,405	-	898,405	5.0
TOTAL	7,778,288	-	7,778,288	62.3

Detailed information for each budget unit follows, along with a description of the services provided and budget unit history.

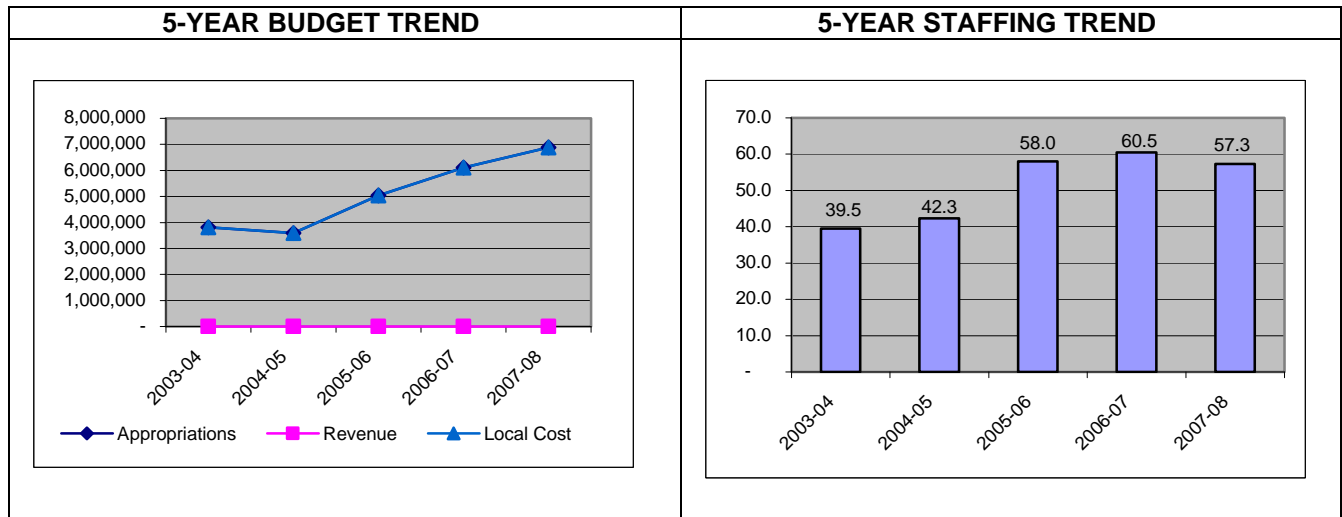


Board of Supervisors

DESCRIPTION OF MAJOR SERVICES

The Board of Supervisors is the governing body of the county government and Board-governed special districts. It establishes policy and exercises supervision over the official conduct of all county officers, Board-governed districts and special commissions. The Board approves and adopts the annual budget and initiates and makes recommendations regarding proposed legislation at state and federal levels.

BUDGET HISTORY

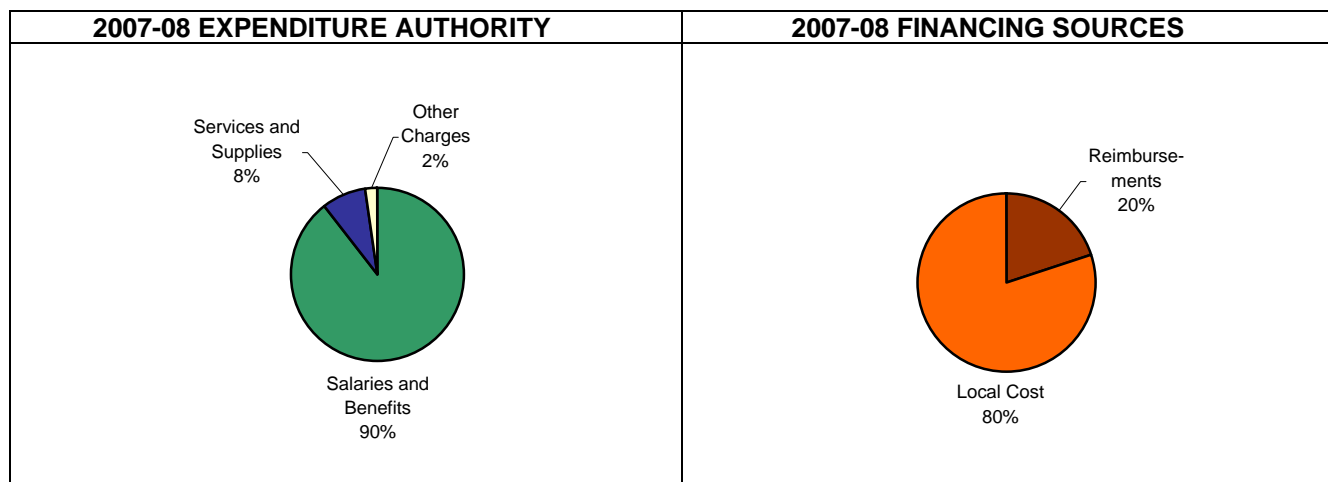


PERFORMANCE HISTORY

	2003-04 Actual	2004-05 Actual	2005-06 Actual	2006-07 Modified Budget	2006-07 Actual
Appropriation	3,706,732	3,609,024	5,913,542	6,107,437	6,072,287
Departmental Revenue	-	-	-	-	-
Local Cost	3,706,732	3,609,024	5,913,542	6,107,437	6,072,287
Budgeted Staffing				60.5	



ANALYSIS OF FINAL BUDGET



GROUP: Administrative/Executive
DEPARTMENT: Board of Supervisors
FUND: General

BUDGET UNIT: AAA BDF
FUNCTION: General
ACTIVITY: Legislative and Administrative

	2003-04 Actual	2004-05 Actual	2005-06 Actual	2006-07 Actual	2006-07 Final Budget	2007-08 Final Budget	Change From 2006-07 Final Budget
Appropriation							
Salaries and Benefits	3,781,716	4,157,353	5,789,958	6,530,130	6,937,326	7,695,559	758,233
Services and Supplies	545,197	534,057	502,910	507,883	508,025	646,663	138,638
Central Computer	22,719	34,201	43,159	65,006	65,006	69,699	4,693
Transfers	55,962	47,434	63,816	67,737	67,731	188,385	120,654
Total Exp Authority	4,405,594	4,773,045	6,399,843	7,170,756	7,578,088	8,600,306	1,022,218
Reimbursements	(698,862)	(1,164,021)	(486,301)	(1,098,469)	(1,470,651)	(1,720,423)	(249,772)
Total Appropriation	3,706,732	3,609,024	5,913,542	6,072,287	6,107,437	6,879,883	772,446
Local Cost	3,706,732	3,609,024	5,913,542	6,072,287	6,107,437	6,879,883	772,446
Budgeted Staffing					60.5	57.3	(3.2)

Salaries and benefits of \$7,695,559 fund 57.3 positions, a decrease of 3.2 positions from last year. The \$758,233 increase represents costs associated with Measure P (which was approved by the voters on November 7, 2006), MOU and retirement rate adjustments. This budget unit decreased by 3.2 budgeted positions as a result of staffing changes made by the various districts.

Services and supplies of \$646,663 include phone services, electrical equipment maintenance, hardware computer expenses, special department expense, property insurance, office expense, presort and packaging, courier and printing, general maintenance-structure, improvement and grounds, vehicle charges and travel expenses. The increase of \$138,638 is primarily from increased costs in phone services, special department expense, property insurance, postage, and printing services.

Transfers of \$188,385 include continued contributions toward employee relations, Employee Health and Productivity program, Information Services Department (ISD) for computer analyst support, maintenance service, custodial services and rents. The increase of \$120,654 will be used primarily for ISD direct labor support, and custodial and maintenance services (Facilities Management).

Reimbursements of \$1,720,423 represent reimbursements from other government center departments and priority policy needs. The increase of \$249,772 primarily results from priority policy needs usage and for shared system analyst support (ISD).

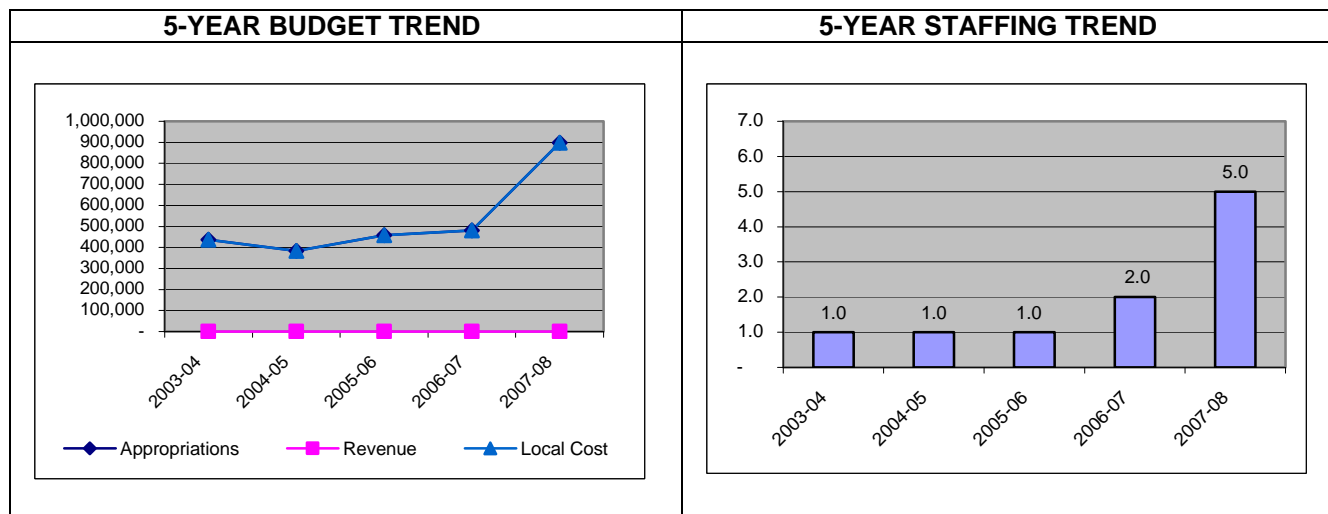


Legislation

DESCRIPTION OF MAJOR SERVICES

This program provides federal and state advocacy services to the County of San Bernardino. On February 5, 2002, the Board of Supervisors approved an administrative report that recommended numerous enhancements to San Bernardino County's legislative program. Through the continued restructuring of federal and state advocacy offices, two advocates currently represent the County. The creation of this budget unit was approved by the Board of Supervisors on December 17, 2002 and was established to consolidate expenses associated with state and federal advocacy efforts.

BUDGET HISTORY



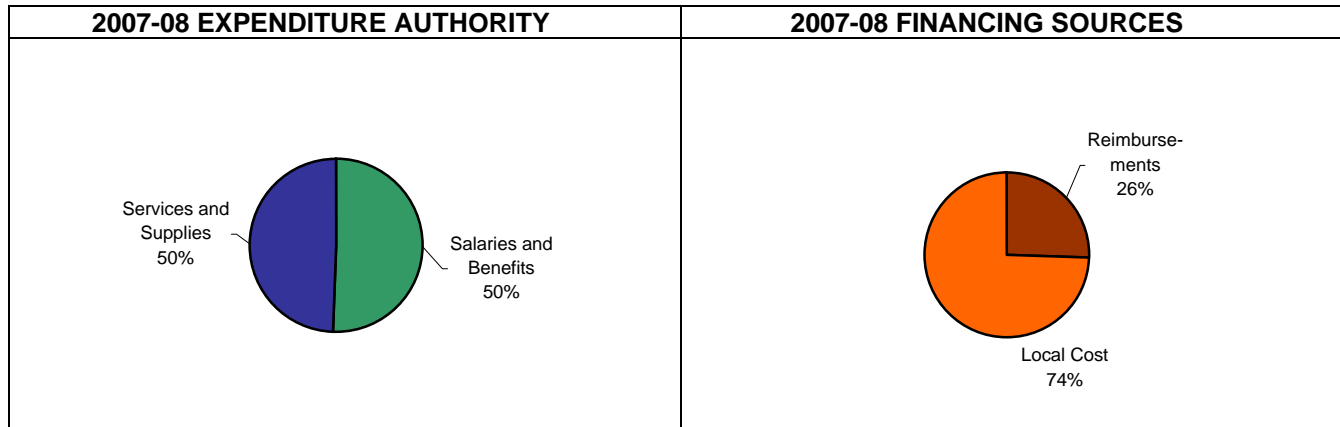
PERFORMANCE HISTORY

	2003-04 Actual	2004-05 Actual	2005-06 Actual	2006-07 Modified Budget	2006-07 Actual
Appropriation	436,519	382,833	410,237	480,950	291,173
Departmental Revenue	-	-	-	-	-
Local Cost	436,519	382,833	410,237	480,950	291,173
Budgeted Staffing				2.0	

In 2006-07 appropriation was lower than modified budget due to the mid-year vacancy of the Director of Legislative Affairs.



ANALYSIS OF FINAL BUDGET



GROUP: Administrative/Executive
DEPARTMENT: Legislation
FUND: General

BUDGET UNIT: AAA LEG
FUNCTION: General
ACTIVITY: Legislative and Administrative

	2003-04 Actual	2004-05 Actual	2005-06 Actual	2006-07 Actual	2006-07 Final Budget	2007-08 Final Budget	Change From 2006-07 Final Budget
Appropriation							
Salaries and Benefits	122,396	76,969	173,320	117,315	260,966	608,458	347,492
Services and Supplies	511,123	505,674	436,714	480,706	526,832	597,357	70,525
Central Computer	-	-	-	895	895	63	(832)
Transfers	3,000	190	203	257	257	527	270
Total Exp Authority	636,519	582,833	610,237	599,173	788,950	1,206,405	417,455
Reimbursements	(200,000)	(200,000)	(200,000)	(308,000)	(308,000)	(308,000)	-
Total Appropriation	436,519	382,833	410,237	291,173	480,950	898,405	417,455
Local Cost	436,519	382,833	410,237	291,173	480,950	898,405	417,455
Budgeted Staffing					2.0	5.0	3.0

Salaries and benefits of \$608,458 fund 5.0 positions and are increasing by \$347,492 primarily due to the addition of 3.0 positions deemed necessary to enhance the effectiveness of the department. The enhancement requires 1.0 Legislative Program Manager and 2.0 Legislative Analysts.

Services and supplies of \$597,357 represent an increase of \$70,525 over the 2006-07 budget and is primarily a result of increases in costs associated with general office expenses to accommodate the three new positions, state and federal advocacy services, memberships, publications, subscriptions, and other office supply charges associated with the management of the county's advocacy services.

Reimbursements of \$308,000 is from Health Administration (\$108,000), Solid Waste Management (\$60,000), Transportation (\$70,000), and Flood Control (\$70,000), due to the Legislative advocacy services direct impact on the contributors.



CLERK OF THE BOARD

Dena M. Smith

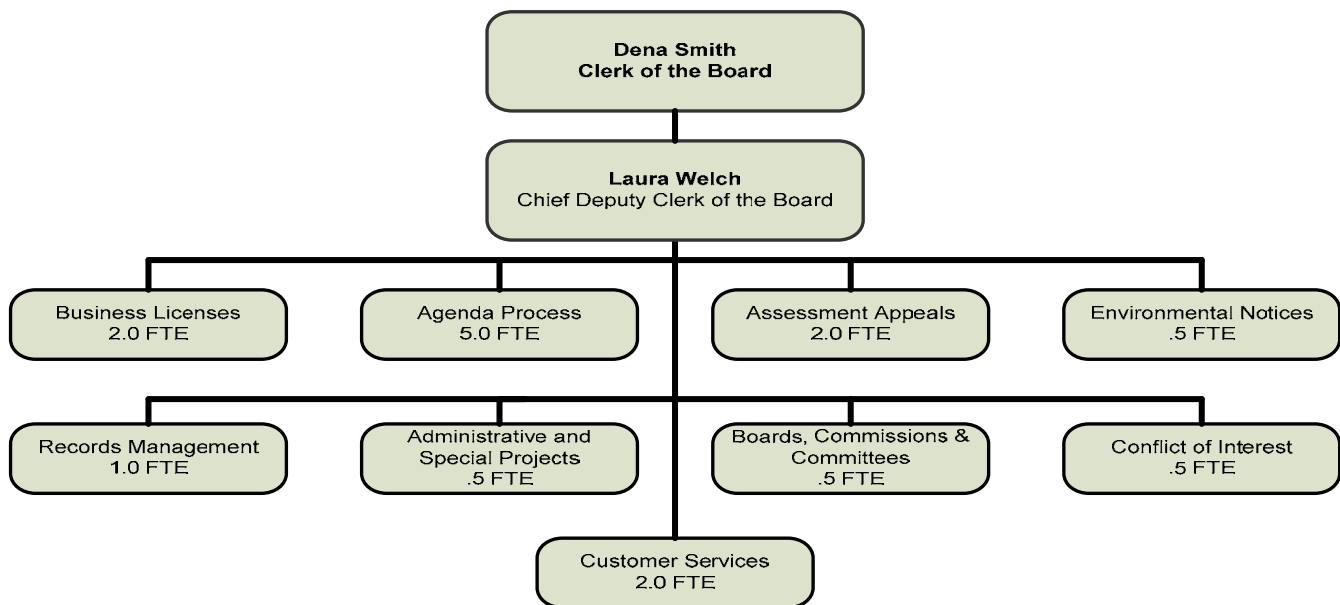
MISSION STATEMENT

In support of the County Board of Supervisors, and in service to the public and fellow County staff, the Clerk of the Board of Supervisors: prepares and maintains records of actions taken by the Board of Supervisors; oversees membership of the County's boards, commissions and committees; licenses businesses operating in the County unincorporated areas; and facilitates the filing and hearing of appeals of assessed property valuations. Our service priorities are timeliness and accuracy. Our services commitments are courtesy and respect.

STRATEGIC GOALS

1. Implement Technological improvements to increase operational efficiency and enhance staff and public access to Board of Supervisors agenda and related information.
2. Improve business license processes and procedures to ensure effective high quality public service and compliance with ordinances.

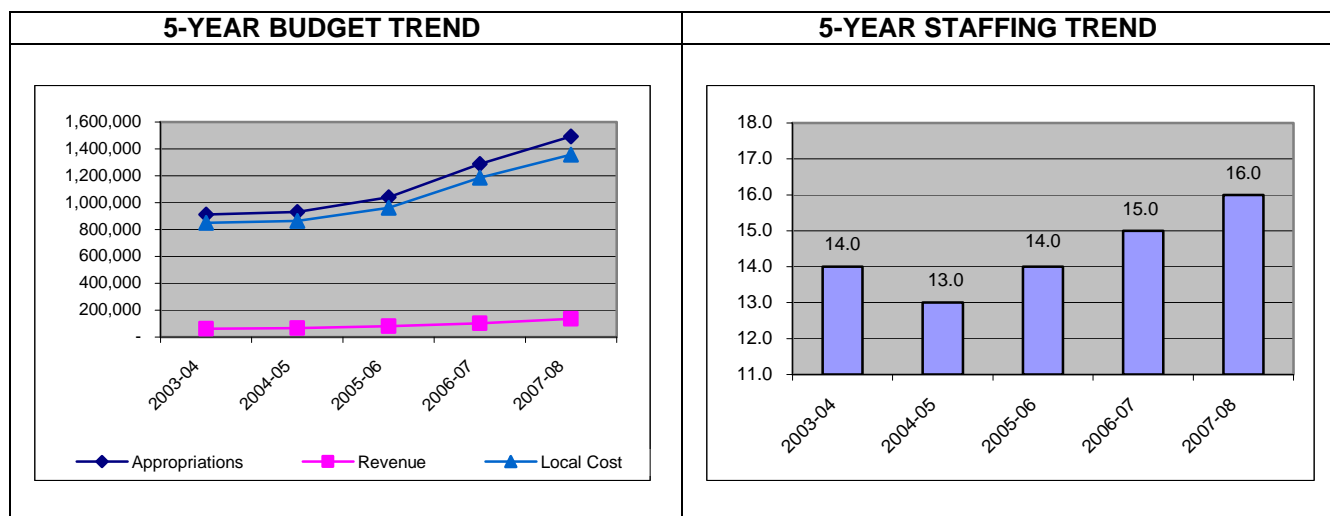
ORGANIZATIONAL CHART



DESCRIPTION OF MAJOR SERVICES

The primary duties of the Clerk of the Board (COB) include coordinating and preparing agendas and documents for all meetings and hearings of the County Board of Supervisors, County Redevelopment Agency, County Economic and Community Development Corporation, County Industrial Development Authority, and In-Home Supportive Services Public Authority. The COB also manages the database of members for all county advisory boards, commissions and committees (BCCs), including processing appointments, vacancies and reappointments to BCCs. The COB provides staff support for the assessment appeal hearings and serves as the liaison amongst property owners, the County Assessor and the Assessment Appeals Board members. The COB manages the business license process for certain businesses operating in the county unincorporated areas. The COB receives and files environmental (CEQA) notices and posts notices of state/local meetings and hearings, receives summonses, complaints, planning appeals, requests for tax refunds, and responds to requests for information and documents on behalf of the Board of Supervisors and/or the County of San Bernardino.

BUDGET HISTORY

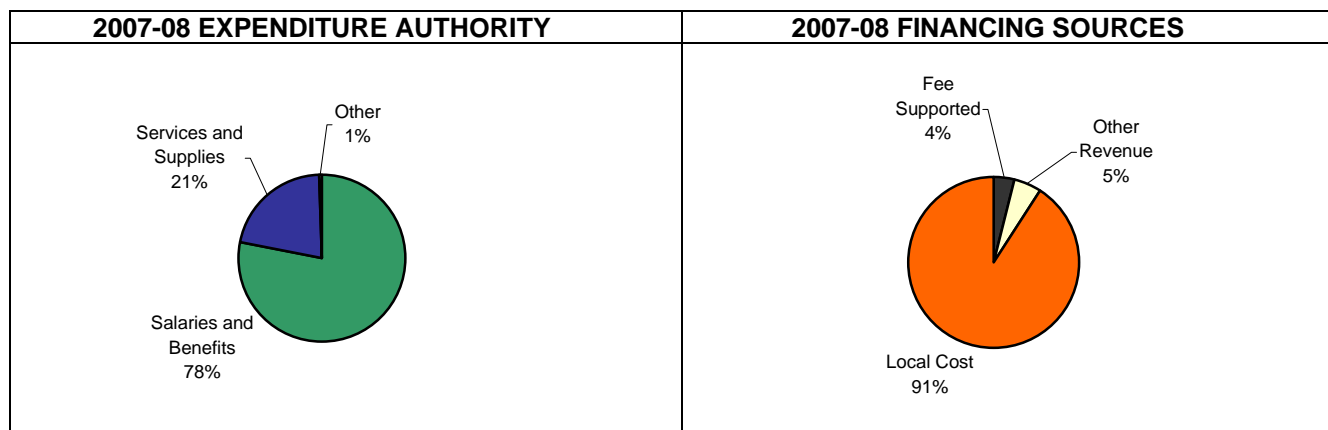


PERFORMANCE HISTORY

	2003-04 Actual	2004-05 Actual	2005-06 Actual	2006-07 Modified Budget	2006-07 Actual
Appropriation	784,113	836,034	1,668,685	1,370,800	1,365,483
Departmental Revenue	81,529	101,089	106,289	101,209	113,977
Local Cost	702,584	734,945	1,562,396	1,269,591	1,251,506
Budgeted Staffing				15.0	



ANALYSIS OF FINAL BUDGET



GROUP: Administrative/Executive
DEPARTMENT: Clerk of the Board
FUND: General

BUDGET UNIT: AAA CBD
FUNCTION: General
ACTIVITY: Legislative and Administrative

	2003-04 Actual	2004-05 Actual	2005-06 Actual	2006-07 Actual	2006-07 Final Budget	2007-08 Final Budget	Change From 2006-07 Final Budget
<u>Appropriation</u>							
Salaries and Benefits	671,317	671,971	1,029,226	1,118,494	1,106,799	1,166,830	60,031
Services and Supplies	97,526	148,275	613,277	202,295	151,937	283,703	131,766
Central Computer	12,670	13,119	14,446	19,458	19,458	31,933	12,475
Equipment	-	-	-	15,391	-	-	-
Transfers	2,600	2,669	11,736	9,845	9,845	10,211	366
Total Appropriation	784,113	836,034	1,668,685	1,365,483	1,288,039	1,492,677	204,638
<u>Departmental Revenue</u>							
Licenses & Permits	41,070	44,715	47,410	47,103	51,999	54,697	2,698
Current Services	5,796	3,934	5,439	5,149	4,000	4,000	-
Other Revenue	34,663	52,440	53,440	61,725	45,210	76,590	31,380
Total Revenue	81,529	101,089	106,289	113,977	101,209	135,287	34,078
Local Cost	702,584	734,945	1,562,396	1,251,506	1,186,830	1,357,390	170,560
Budgeted Staffing					15.0	16.0	1.0

Salaries and benefits of \$1,166,830 fund 16.0 positions and are increasing by \$60,031 due to costs associated with MOU and retirement rate adjustments and the addition of 1.0 Public Service Employee assigned entry level temporary duties assisting with business licenses and assessment appeals.

Services and supplies of \$283,703 include costs for general office purchases, training, other professional services, publications, memberships, and travel. The increase of \$131,766 is primarily due to a \$98,470 increase in service contracts, including agreements for streaming multimedia and hosting services providing live and on-demand video access to San Bernardino County meetings and scheduled events, for an online management system for the Recipient Committee Campaign Statement (CA Form 460) and Statement of Economic Interests (CA Form 700) forms, and other costs associated with the ongoing operation of the department.

Departmental revenue of \$135,287 is anticipated to increase by \$34,078. The increase is primarily a result of approved rate adjustments for licenses & permits, other revenues, and from greater estimates of future environmental (CEQA) and business license filings.



PERFORMANCE MEASURES			
Description of Performance Measure	2006-07 Projected	2006-07 Actual	2007-08 Projected
Percentage reduction of staff time required to process agenda and related transactions.	5%	0%	5%
Percentage of items with "turnaround" time within 10 working days for post-meeting processing/department receipt of completed agenda items.	New	New	75%
Percentage reduction of turnaround time for processing of new and renewal business licenses.	15%	15%	20%
Percentage of business license processes and procedures reviewed.	50%	100%	N/A
Percentage of businesses in unincorporated areas that are licensed.	New	18%	35%

The baseline time required to process agenda items was established in 2006-07. It is expected that technology implementations deployed in 2007-08 will reduce agenda item processing by 5%.



COUNTY ADMINISTRATIVE OFFICE

Mark Uffer

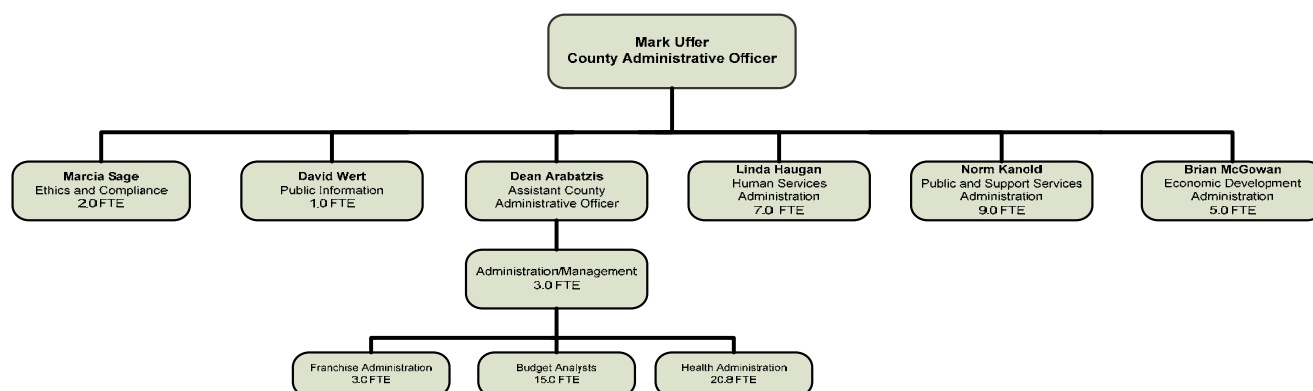
MISSION STATEMENT

The mission of the County Administrative Office (CAO) is to maximize constituent services and satisfaction by developing and implementing budgets, policies, and procedures, and by directing and/or coordinating departmental activities according to the County Charter, general laws, and to meet the strategic goals adopted by the Board of Supervisors.

STRATEGIC GOALS

1. Facilitate, support, and ensure the implementation of decisions by the Board of Supervisors.
2. Promote the effective and efficient delivery of countywide service through the use of contemporary management tools.
3. Ensure the overall financial health of the County of San Bernardino.
4. Communicate countywide operations in an effective manner.
5. Increase employee awareness of and compliance with the county's ethics program.

ORGANIZATIONAL CHART



SUMMARY OF BUDGET UNITS

2007-08

	Appropriation	Revenue	Local Cost	Fund Balance and Revenue Over/(Under)	Staffing
General Fund					
County Administrative Office	5,299,244	-	5,299,244		25.0
Franchise Administration	304,387	-	304,387		3.0
Litigation	388,681	-	388,681		-
Joint Powers Leases	21,437,356	-	21,437,356		-
Health Administration	159,507,612	144,507,612	15,000,000		20.8
Public and Support Services Administration*	1,971,766	-	1,971,766		10.0
Human Services Administration**	1,323,506	1,124,979	198,527		8.0
Economic Development ***	781,690	-	781,690		6.0
Total General Fund	191,014,242	145,632,591	45,381,651		72.8
Other Funds					
Ambulance Performance Based Fines	306,451	131,000		175,451	-
Pediatric Trauma	337,337	322,569		14,768	-
Hospital Preparedness	518,850	288,803		230,047	-
Medical Center Lease Payments	53,419,848	53,008,963		(410,885)	-
Master Settlement Agreement	27,434,886	18,500,000		8,934,886	-
Total Funds	82,017,372	72,251,335			
Total - All Funds	273,031,614	217,883,926	45,381,651		72.8

* Detail of this budget is in the Public and Support Services Section.

** These costs are included in the Human Services Administrative Claim budget unit in the Human Services Section.

*** These costs are included in the Economic Development budget unit in the Economic Development Section.

Detailed information for each budget unit follows, along with a description of the services provided, budget unit history, and applicable performance measures.



County Administrative Office

DESCRIPTION OF MAJOR SERVICES

The CAO is responsible to the Board of Supervisors for the general administration and coordination of all county operations and programs, together with the preparation and administration of the county budget.

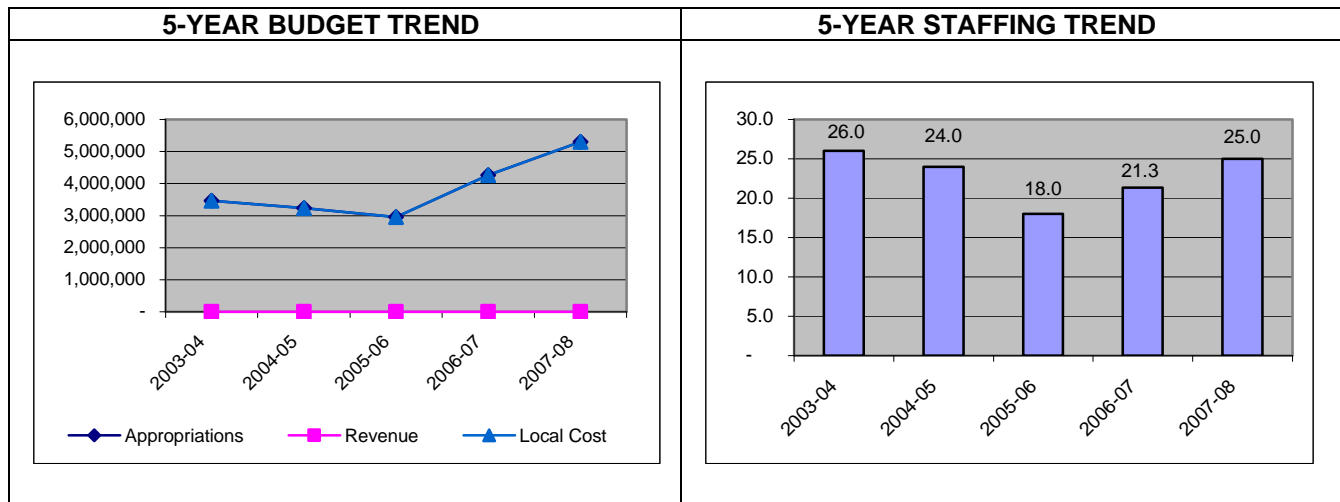
The CAO oversees the operations of county departments whose department heads are appointed by the Board of Supervisors or County Administrative Officer, and assists in the coordination of activities of departments headed by elected officials. Additionally, the CAO oversees the Public and Support Services Administration (PSSG), Human Services Administration, and Economic Development Administration. PSSG departments plan and implement facility and infrastructure development and maintenance programs (roads, flood control, buildings); provide public services in unincorporated communities (planning, fire, special districts, parks, museums); and serve departmental needs (vehicles, space, leasing). Human Services departments are responsible for the county social service programs under applicable mandatory federal and state regulations. These departments are Transitional Assistance, Children's Services, Adult Services, Preschool Services, Child Support Services and Veterans Affairs. Economic Development departments seek to facilitate economic growth within the county through programs that enhance workforce skills, infrastructure, business development and attraction, housing opportunities and community development projects. These departments are Community Development and Housing, Economic Development, the Redevelopment Agency, and Workforce Development.

Within the CAO resides a Health Administration function that provides administrative oversight for the health related departments and seeks to expand and coordinate collaborative opportunities among those departments. Health Administration also coordinates major health financing issues, such as realignment, medical center debt financing, and disproportionate share hospital funding.

The CAO is also responsible for coordinating county activities with other local government entities, including cities and other counties.

Finally, the CAO is responsible for the county's long-term debt functions and capital improvement program.

BUDGET HISTORY

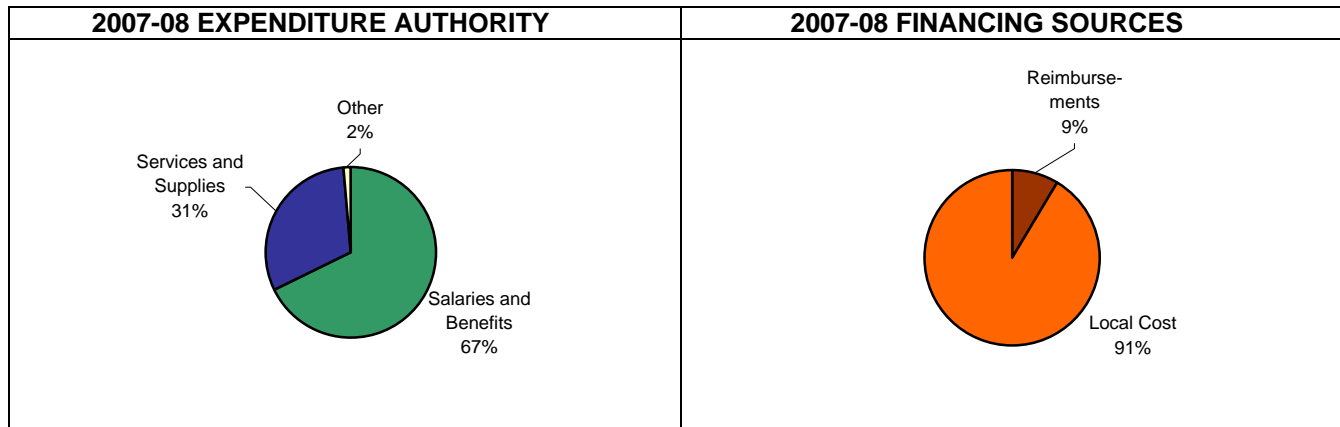


PERFORMANCE HISTORY



	2003-04 Actual	2004-05 Actual	2005-06 Actual	2006-07 Modified Budget	2006-07 Actual
Appropriation	2,909,684	3,155,583	3,902,621	4,265,651	4,133,534
Departmental Revenue	-	-	-	-	-
Local Cost	2,909,684	3,155,583	3,902,621	4,265,651	4,133,534
Budgeted Staffing				24.0	

ANALYSIS OF FINAL BUDGET



GROUP: Administrative/Executive
DEPARTMENT: County Administrative Office
FUND: General

BUDGET UNIT: AAA CAO
FUNCTION: General
ACTIVITY: Legislative and Administrative

	2003-04 Actual	2004-05 Actual	2005-06 Actual	2006-07 Actual	2006-07 Final Budget	2007-08 Final Budget	Change From 2006-07 Final Budget
Appropriation							
Salaries and Benefits	2,642,075	2,657,499	2,431,637	3,152,228	3,269,762	3,931,875	662,113
Services and Supplies	319,025	257,582	556,960	1,172,726	991,903	1,745,874	753,971
Central Computer	25,391	22,372	29,279	26,225	26,225	31,213	4,988
Equipment	-	-	46,346	-	-	-	-
Transfers	4,907	4,958	16,280	17,125	17,125	87,312	70,187
Total Exp Authority	2,991,398	2,942,411	3,080,502	4,368,304	4,305,015	5,796,274	1,491,259
Reimbursements	(81,714)	(87,828)	(22,881)	(234,770)	(39,364)	(497,030)	(457,666)
Total Appropriation	2,909,684	2,854,583	3,057,621	4,133,534	4,265,651	5,299,244	1,033,593
Operating Transfers Out	-	301,000	845,000	-	-	-	-
Total Requirements	2,909,684	3,155,583	3,902,621	4,133,534	4,265,651	5,299,244	1,033,593
Local Cost	2,909,684	3,155,583	3,902,621	4,133,534	4,265,651	5,299,244	1,033,593
Budgeted Staffing					21.3	25.0	3.7

Salaries and benefits of \$3,931,875 fund 25.0 positions and are increasing by \$662,113 and 3.7 positions. Cost adjustments reflect various staffing changes, increased workers' compensation charges, MOU and retirement rate adjustments.

Budgeted staffing reflects the following mid-year approved additions: 1) 1.0 Ethics and Compliance Specialist to provide support to the county's ethics program, 2) 1.0 Administrative Analyst I to assist with grant procedures and inventory, and 3) 1.0 Contract Special Projects Coordinator to facilitate the interdepartmental coordination of activities between the county and the County Administrative Office. In addition, 1.0 Executive Secretary III and 1.0 Deputy Administrative Officer were transferred from the Health Administration budget to better reflect their change in responsibilities and duties. These additions were offset by the reduction of 1.3 Administrative Analyst III positions and 1.0 Contract Special Projects Coordinator. Included in this appropriation is the approval of the Enhance Grants Program policy item. The policy item added 1.0 Grant Writer position to the grant program to work with departments to identify priority programs and identify funding streams to support these programs. Budgeted staffing reflects a net increase of 3.7 positions.



Services and supplies of \$1,745,874 include computer software and hardware expenses, miscellaneous expenses, training, office supplies, and ISD Direct Labor. The increase of \$753,971 is primarily to finance a Public Awareness Campaign to promote county services and operations to the general public population. In addition, this office is expanding the Service First Program that establishes consistent service standards and expectations for all county employees by instituting a recognition and rewards program. This department also received \$200,000 for one-time funding of local matching funds for grant submissions, and to hire contract grant writers as needed for the approved Enhance Grants Program policy item.

Transfers of \$87,312 include continued contributions toward employee relations, Employee Health and Productivity program, Information Services Department (ISD) for computer analyst support and wireless servers, custodial and maintenance service, and advertisement services. The increase of \$70,187 results primarily from increased custodial and maintenance services (Facilities Management), and advertisement services (Human Resources), and the anticipated purchase of two wireless infrastructure servers (ISD).

Reimbursements of \$497,030 represent reimbursements from other budget units. The significant increase of \$457,666 primarily results from the Health Administration budget unit for 2.0 positions who administer support to all the Health Departments. In addition, reimbursements from Facilities Management will be received for 1.0 position that supports the interdepartmental coordination of activities between the county and the County Administrative Office.

PERFORMANCE MEASURES			
Description of Performance Measure	2006-07 Projected	2006-07 Actual	2007-08 Projected
Percentage of departments implementing the performance measurement system.	100%	100%	100%
Percentage increase of ongoing set asides.	10%	98%	10%
Percentage of County department websites offering e-mail subscription services through GovDelivery, Inc.	New	41%	100%
Percentage of county budget groups currently participating in ethics and compliance training.	New	9%	100%
Percentage of county employees receiving ethics and compliance materials.	New	11%	100%
Percentage of county-owned and leased buildings with electronic format (AutoCAD) floor plan drawings. (The county had 9.7 million square feet of owned and leased facilities).	35%	30%	40%
Percentage of targeted audiences reporting awareness of county services and operations, including how to access county services.	New	New	65%
Increase the competitive grant funding received by the county or nonprofits in collaboration or associated with the county.	New	New	\$1.5 million



Franchise Administration

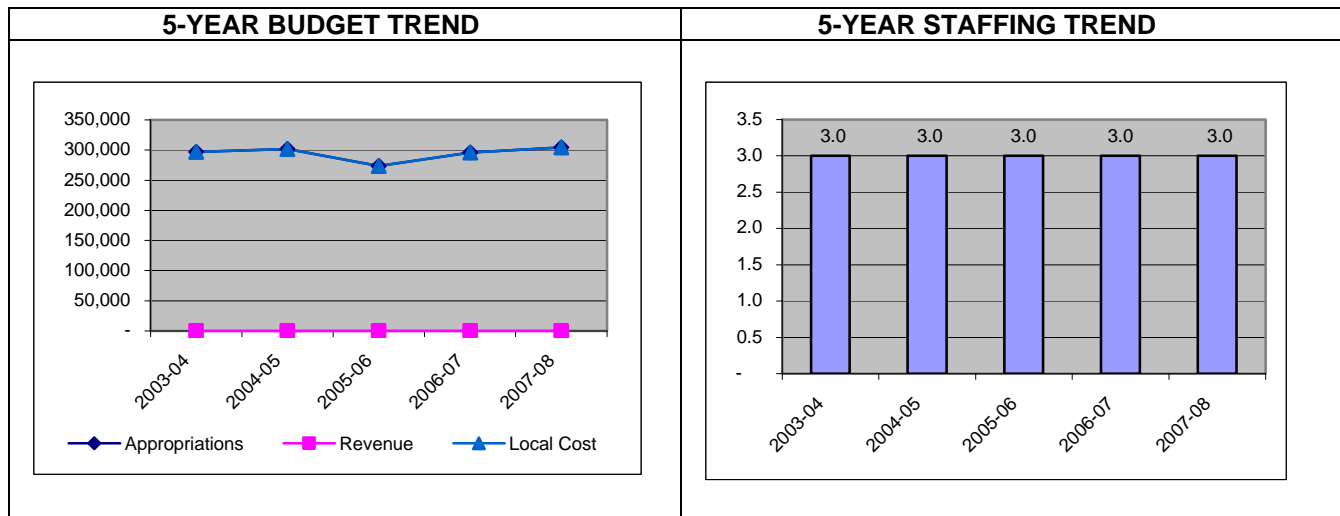
DESCRIPTION OF MAJOR SERVICES

The function of Franchise Administration is to monitor utility, cable, telecommunication, and interstate pipeline franchises, as well as the use of other public property. Franchise Administration is also responsible for ensuring submission of the appropriate documents from franchisees including reports, proof of insurance, bonding and payment of franchise fees. Other duties include monitoring customer service compliance for cable television service providers and research designed to identify other entities utilizing public rights-of-way.

Additionally, Franchise Administration has represented the county and its constituents at the California Public Utilities Commission on issues regarding utility requests for rate increases and investigations of utilities overcharging their customers.

Franchise Administration collects a substantial amount of annual franchise fee revenue on behalf of the county, and the fees are generally based upon a percentage of utility, cable, telecommunications, and interstate pipeline company gross revenues. These revenues are not directly incorporated within the division's budget, as the fees are accounted for separately within another fund.

BUDGET HISTORY



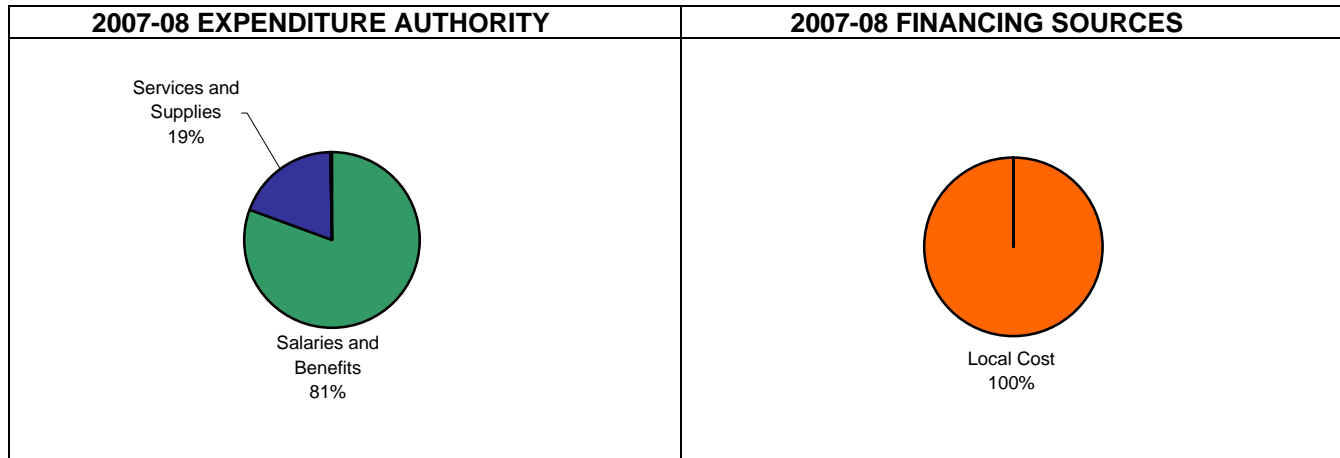
PERFORMANCE HISTORY

	2003-04 Actual	2004-05 Actual	2005-06 Actual	2006-07 Modified Budget	2006-07 Actual
Appropriation	297,184	301,577	201,689	295,845	204,940
Departmental Revenue	-	-	-	-	-
Local Cost	297,184	301,577	201,689	295,845	204,940
Budgeted Staffing				3.0	

In 2006-07 actual appropriation is less than the modified budget due to a vacant budgeted position not being filled. Also, there were less expenditures in services and supplies due to the conservative nature of the office operations and a postponement of professional services contract which will be utilized in 2007-08.



ANALYSIS OF FINAL BUDGET



GROUP: Administrative/Executive
DEPARTMENT: County Administrative Office
FUND: General

BUDGET UNIT: AAA FRN
FUNCTION: General
ACTIVITY: Legislative and Administrative

	2003-04 Actual	2004-05 Actual	2005-06 Actual	2006-07 Actual	2006-07 Final Budget	2007-08 Final Budget	Change From 2006-07 Final Budget
Appropriation							
Salaries and Benefits	207,981	223,397	180,592	186,907	239,313	245,265	5,952
Services and Supplies	38,445	26,320	20,303	17,075	55,574	56,386	812
Central Computer	1,463	1,993	187	189	189	1,944	1,755
Transfers	49,295	49,867	607	769	769	792	23
Total Appropriation	297,184	301,577	201,689	204,940	295,845	304,387	8,542
Local Cost	297,184	301,577	201,689	204,940	295,845	304,387	8,542
Budgeted Staffing					3.0	3.0	-

Salaries and benefits of \$245,265 fund 3.0 positions and are slightly increasing by \$5,952 resulting from MOU and retirement rate adjustments.

Services and supplies of \$56,386 include memberships, legal notices, noninventoriable equipment, training, office supplies and other professional services. The slight increase of \$812 is due to inflationary services and supplies costs.

Transfers of \$792 and the slight increase of \$23 relate to the continued contributions toward employee relations and the Employee Health and Productivity program.



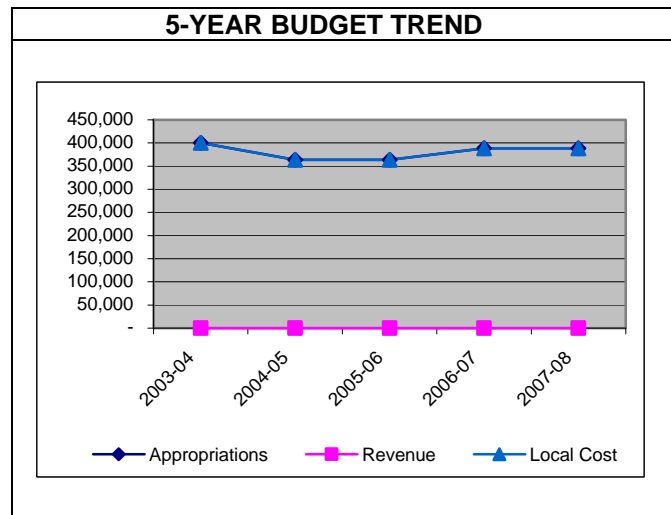
Litigation

DESCRIPTION OF MAJOR SERVICES

The litigation budget funds external attorney services and other litigation related expenses. The Board approved the establishment of this budget unit in 2001-02. The use of general fund contingencies may be required for any new major contracts, or for any material amendments to existing legal contracts during the fiscal year.

There is no staffing associated with this budget unit.

BUDGET HISTORY



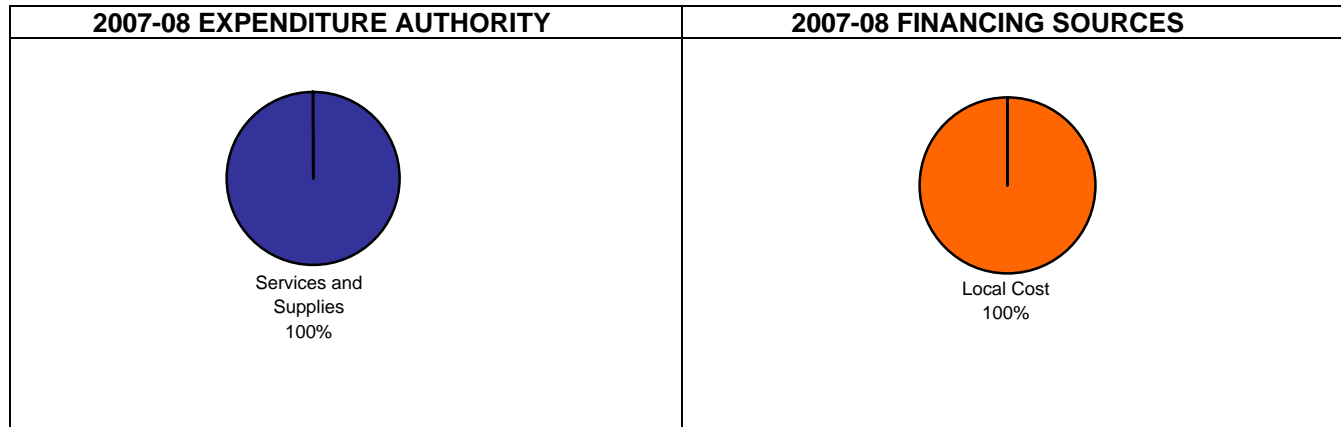
PERFORMANCE HISTORY

	2003-04 Actual	2004-05 Actual	2005-06 Actual	2006-07 Modified Budget	2006-07 Actual
Appropriation	232,252	630,025	438,320	388,681	15,441
Departmental Revenue	-	500,000	200,000	-	-
Local Cost	232,252	130,025	238,320	388,681	15,441

During 2004-05 and 2005-06, the Board approved the use of \$500,000 and \$200,000, respectively, of Restitution Reserves to fund the cost of the corruption litigation. The actual amount for 2006-07 is less than budget since many 2006-07 payments were made against prior year encumbrances and few new litigation incurred in 2006-07.



ANALYSIS OF FINAL BUDGET



GROUP: Administrative/Executive
DEPARTMENT: Litigation
FUND: General

BUDGET UNIT: AAA LIT
FUNCTION: General
ACTIVITY: Legislative and Administrative

	2003-04 Actual	2004-05 Actual	2005-06 Actual	2006-07 Actual	2006-07 Final Budget	2007-08 Final Budget	Change From 2006-07 Final Budget
Appropriation							
Services and Supplies	232,252	630,025	438,320	15,441	388,681	388,681	-
Total Appropriation	232,252	630,025	438,320	15,441	388,681	388,681	-
Departmental Revenue							
Operating Transfers In	-	500,000	200,000	-	-	-	-
Total Financing Sources	-	500,000	200,000	-	-	-	-
Local Cost	232,252	130,025	238,320	15,441	388,681	388,681	-

There is no change to this budget unit in 2007-08.



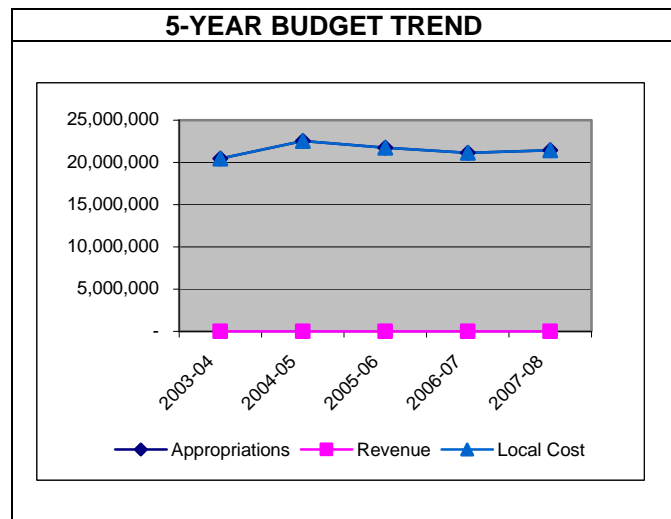
Joint Powers Leases

DESCRIPTION OF MAJOR SERVICES

This budget unit funds the cost of long-term capital lease payments for the major county assets financed by the general fund.

There is no staffing associated with this budget unit.

BUDGET HISTORY



PERFORMANCE HISTORY

	2003-04 Actual	2004-05 Actual	2005-06 Actual	2006-07 Modified Budget	2006-07 Actual
Appropriation	18,353,792	21,382,011	20,987,980	21,137,293	20,147,355
Departmental Revenue	-	3,342	3,505	-	(5)
Local Cost	18,353,792	21,378,669	20,984,475	21,137,293	20,147,360

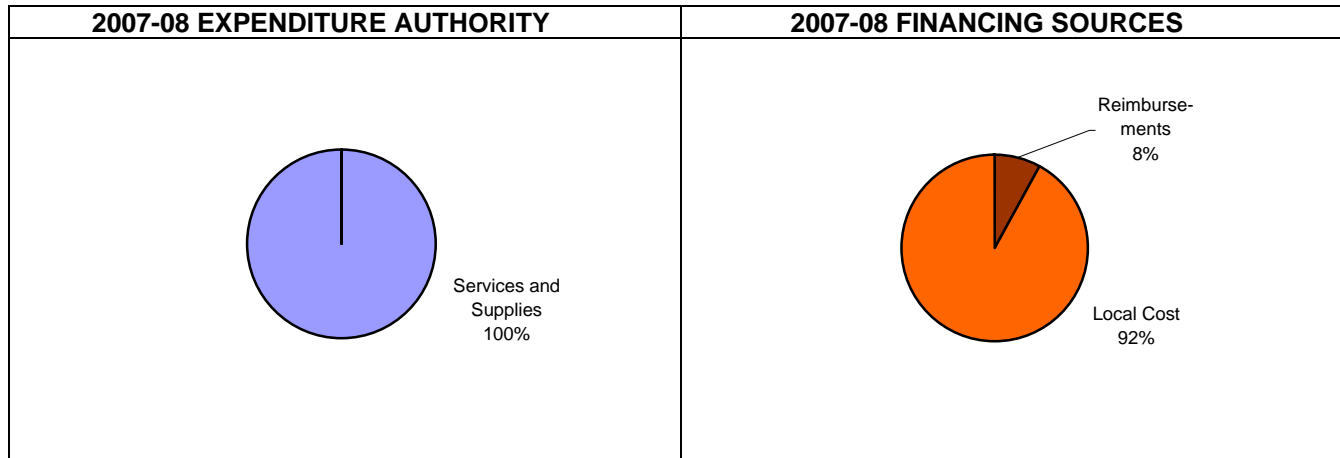
Actuals for 2003-04 are significantly lower than the other years shown since 2003-04 is the only year (of those displayed above) that the county did not use any allocation of prior year fund balance to prepay principal on outstanding Certificates of Participation, relating to long-term capital leases. This was due to state budget restrictions.

Fund balance allocations from prior years used to prepay Certificates of Participation:

- 2003-04 None
- 2004-05 \$1.8 million
- 2005-06 \$1.0 million
- 2006-07 \$0.3 million
- 2007-08 \$0.825 million (budgeted)



ANALYSIS OF FINAL BUDGET



GROUP: Administrative/Executive
DEPARTMENT: Joint Powers Leases
FUND: General

BUDGET UNIT: AAA JPL
FUNCTION: General
ACTIVITY: Property Management

	2003-04 Actual	2004-05 Actual	2005-06 Actual	2006-07 Actual	2006-07 Final Budget	2007-08 Final Budget	Change From 2006-07 Final Budget
Appropriation							
Services and Supplies	16,224,040	22,905,636	22,572,197	21,874,723	22,864,661	23,318,041	453,380
Total Exp Authority	16,224,040	22,905,636	22,572,197	21,874,723	22,864,661	23,318,041	453,380
Reimbursements	(2,271,995)	(1,523,625)	(1,584,217)	(1,727,368)	(1,727,368)	(1,880,685)	(153,317)
Total Appropriation	13,952,045	21,382,011	20,987,980	20,147,355	21,137,293	21,437,356	300,063
Operating Transfers Out	4,401,747	-	-	-	-	-	-
Total Requirements	18,353,792	21,382,011	20,987,980	20,147,355	21,137,293	21,437,356	300,063
Departmental Revenue							
Other Revenue	-	3,342	3,505	(5)	-	-	-
Total Revenue	-	3,342	3,505	(5)	-	-	-
Local Cost	18,353,792	21,378,669	20,984,475	20,147,360	21,137,293	21,437,356	300,063

Services and supplies of \$23,318,041 represent scheduled lease payments and debt administration costs for the major county assets financed by the general fund, and provides for principal reduction of existing Certificates of Participation pursuant to county policy. In 2007-08, services and supplies is increased by \$453,380. This amount is made up of a \$525,000 increase in appropriation to be used to prepay principal on existing Certificates of Participation and a decrease of \$71,620 which reflects an overall reduction in debt service and debt administration costs.

Reimbursements of \$1,880,685 include \$1,327,935 to fund the lease payments and administration costs of the Hyundai Pavilion at Glen Helen. This reimbursement is funded from revenues associated with the operation of the pavilion. Reimbursements also include amounts associated with the 1997 Public Improvement financing in the amounts of \$470,000 from the utilities budget, representing savings from the ENVEST project, and \$82,750 from Preschool Services representing the portion of the lease payment used to fund a portion of the preschool building in Ontario. The decrease, beginning in 2004-05, is due to the elimination of reimbursement from Airports for a share of debt service due on the Justice Center/Chino Airport Improvement Project. This reimbursement previously averaged \$855,000 per year.



Lease Payments included in this budget unit for 2007-08 are:

Hyundai Pavilion at Glen Helen	1,282,796
Justice Center/Chino Airport Improvements	6,169,336
1997 Public Improvement Financing (ENVEST, West End Juvenile Facility, Preschool Building)	1,330,512
County Government Center	3,301,760
West Valley Detention Center	9,813,063
Subtotal:	<u>21,897,467</u>
Reduction of Variable Rate Debt	825,000
Debt Administration (Trustee Fees, Letter of Credit Fees, Remarketing Fees, Auction Agent Fees, Broker-Dealer Fees, Audit and Arbitrage)	595,574
Reimbursements	(1,880,685)
Subtotal:	<u>(460,111)</u>
Total:	<u>21,437,356</u>



Health Administration

MISSION STATEMENT

To develop and coordinate budgets, policies, and procedures for the county's health care departments in accordance with the strategic goals adopted by the Board of Supervisors, the County Charter, and general laws.

DESCRIPTION OF MAJOR SERVICES

The role of the Health Administration Division is to seek and support opportunities to foster collaboration among the Department of Public Health (DPH), Department of Behavioral Health (DBH), and the Arrowhead Regional Medical Center (ARMC). The division provides regular fiscal and policy analysis relating to the operations of these departments. Additionally, this division manages the \$159.5 million Health Administration budget, which includes funding for ARMC debt service, health related maintenance of effort costs, and transfers required to obtain federal health care funding. Furthermore, on February 6, 2007, the Board of Supervisors approved the separation of the Inland Counties Emergency Medical Agency (ICEMA) from the Public Health budget unit, to be included as a separate organization within the Health Administration Division.

Health care related transactions represented by this budget unit include the Disproportionate Share Hospital (DSH) Supplemental Payments, Realignment AB 8 match, the county's contribution for ARMC debt service payments. In addition, all operational transactions related to ICEMA are reflected within this budget unit for 2007-08.

California Medi-Cal Hospital/Uninsured Care Demonstration Project (SB 1100)

Effective July 1, 2005, funding from SB 855 and SB 1255 for the Disproportionate Share Hospital Programs was replaced by SB 1100, California's Medi-Cal Hospital/Uninsured Care Demonstration Project. The prior SB 855 and SB 1255 programs provided supplemental payments to hospitals serving a disproportionate number of low-income individuals, as well as those licensed to provide emergency medical services and contract with the California Medical Assistance Commission (CMAC) to serve Medi-Cal patients under the Selective Provider Contracting Program.

The new funding system, SB 1100, was designed under a Medicaid (Medi-Cal in California) waiver to fund public and private safety-net hospitals providing care to Medi-Cal and uninsured patients. The hospital financing waiver under SB 1100 is comprised of three elements:

- Medi-Cal Fee for Service, which represents federal funds accounted for directly in the Arrowhead Regional Medical Center (ARMC) budget unit, for services provided to Medi-Cal patients;
- Safety Net Care Pool Funds, which provide a fixed amount of federal dollars, also accounted for directly in the ARMC budget unit, to cover uncompensated health care costs, and
- Disproportionate Share Hospital Funds, which continue to be reflected as a matching contribution to the state, and a return of that initial investment, within this budget unit.

Realignment and General Fund Support

General fund support and realignment funds are used to pay for the ARMC debt service lease payments, Realignment AB 8 match and administrative costs related to this budget unit. To qualify for receipt of Health Realignment funding from the state, the county must contribute a "match" of local funds. The county's match for 2007-08 is \$4.3 million, which is based on a formula established through AB 8 in 1979. This amount has remained constant throughout the years.

Realignment funds support this budget as follows:

- Mental Health at 3.5% (which covers half of administrative costs).
- Health at 96.5% (which covers half of administrative costs plus debt service payments).

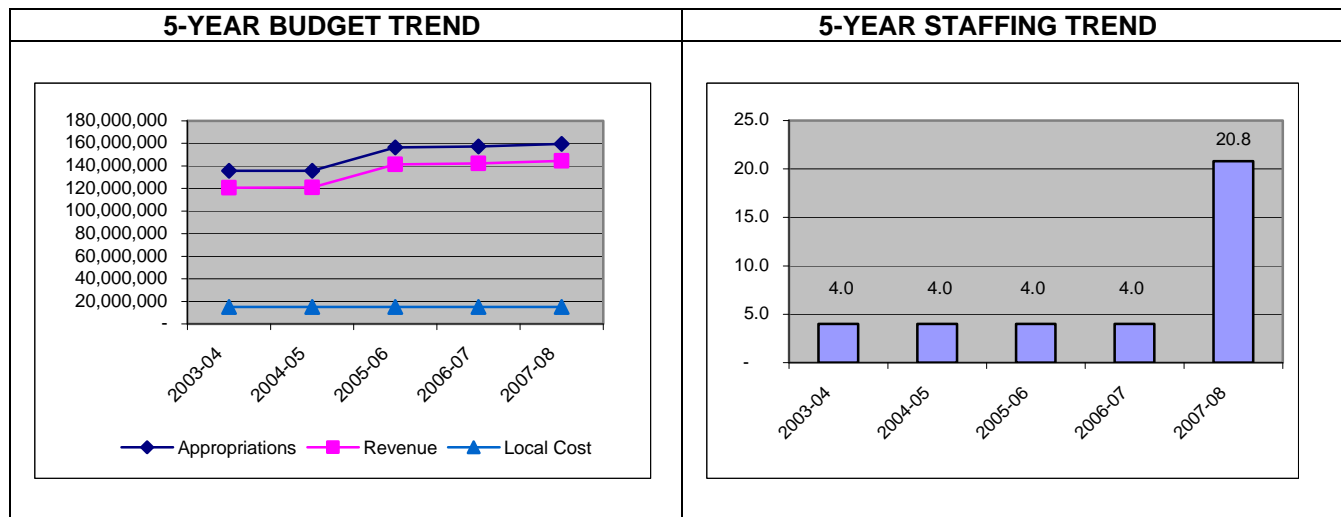
Inland Counties Emergency Medical Agency

On February 6, 2007, the Board of Supervisors approved the separation of the Inland Counties Emergency Medical Agency (ICEMA) from the Public Health budget unit, to be included as a separate organization within the Health Administration Division and administered directly by the County Administrative Office.



ICEMA is responsible for ensuring effective emergency medical services for San Bernardino, Inyo and Mono Counties. Specifically, they are charged with the coordination, evaluation and monitoring of emergency medical services within public and private pre-hospital providers, specialty hospitals, paramedic base hospitals, as well as the effectiveness of Emergency Medical Services (EMS) educational programs and medical disaster preparedness.

BUDGET HISTORY



Budgeted staffing significantly increased in 2007-08 due to the inclusion of the ICEMA budget within the Health Administration budget unit.

PERFORMANCE HISTORY

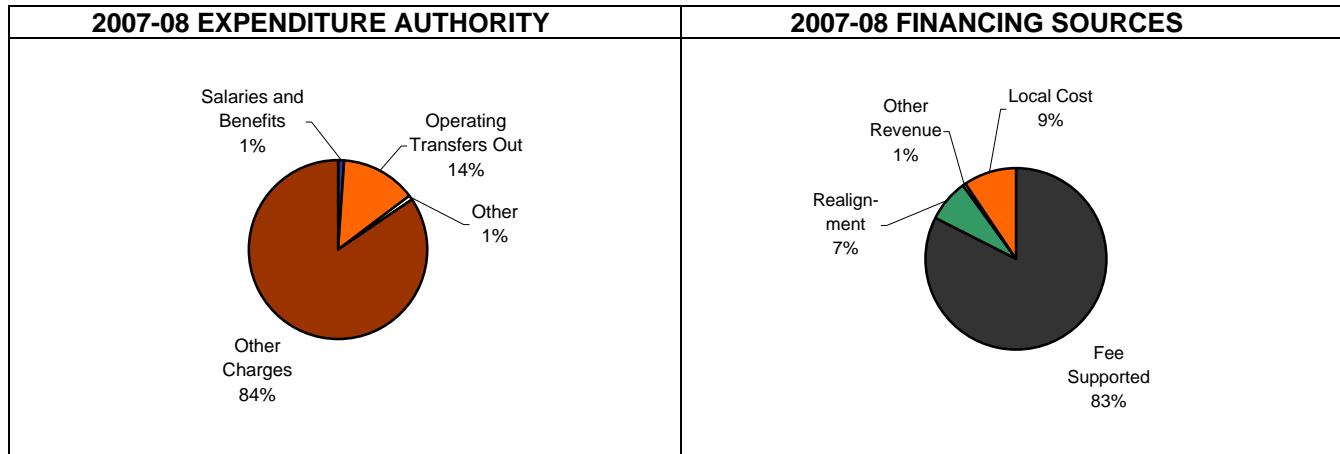
	2003-04 Actual	2004-05 Actual	2005-06 Actual	2006-07 Modified Budget	2006-07 Actual
Appropriation	135,996,594	150,200,966	53,624,875	157,188,824	61,720,187
Departmental Revenue	120,996,594	135,200,966	38,732,875	142,188,824	46,720,187
Local Cost	15,000,000	15,000,000	14,892,000	15,000,000	15,000,000
Budgeted Staffing				4.0	

In 2003-04 and 2004-05, total appropriation and revenue was greater than the most current two years of performance as a result of SB 855 and SB 1255, two programs that were established to provide supplemental Medi-Cal payments to hospitals that provide services to disproportionate numbers of Medi-Cal and other low-income patients. Through these programs, the county transferred a set match amount to the state, and in turn, received back this initial contribution, plus additional federal health dollars that were recorded in the Arrowhead Regional Medical Center budget unit. Effective July 1, 2005, SB 855 and SB 1255 was replaced by SB 1100, which fundamentally altered the way it paid hospitals for treating Medi-Cal patients. This system revised financing for Medicaid hospitals, limited the use of county general fund matching transfers to the state, and provided a fixed amount of federal dollars to cover uncompensated health care costs. As a result of these changes, both the actual appropriation and revenues which in prior years had been recorded to document the matching transfers and corresponding receipts decreased dramatically. It should be noted however that the county continues to budget at the previously higher rates for appropriation and revenue as the total affect of these changes has not been determined, and transfers to the state may still change.

Additionally, in 2006-07, actual revenue was less than modified budget as the budget unit did not utilize all of its budgeted Realignment revenue for ARMC debt service.



ANALYSIS OF FINAL BUDGET



GROUP: Administrative/Executive
DEPARTMENT: Health Administration
FUND: General

BUDGET UNIT: AAA HCC
FUNCTION: Health and Sanitation
ACTIVITY: Hospital Care

	2003-04 Actual	2004-05 Actual	2005-06 Actual	2006-07 Actual	2006-07 Final Budget	2007-08 Final Budget	Change From 2006-07 Final Budget
Appropriation							
Salaries and Benefits	316,697	121,092	489,206	550,109	532,200	1,813,683	1,281,483
Services and Supplies	68,210	30,265	92,390	133,826	66,490	718,293	651,803
Central Computer	-	710	2,673	4,604	4,604	23,071	18,467
Other Charges	110,514,405	124,642,905	24,759,402	31,577,091	130,250,000	130,753,730	503,730
Equipment	-	-	-	-	-	74,000	74,000
Transfers	106,500	81,104	807	170,650	276,068	811,898	535,830
Total Exp Authority	111,005,812	124,876,076	25,344,478	32,436,280	131,129,362	134,194,675	3,065,313
Reimbursements	-	-	-	-	-	(11,480)	(11,480)
Total Appropriation	111,005,812	124,876,076	25,344,478	32,436,280	131,129,362	134,183,195	3,053,833
Operating Transfers Out	24,990,782	25,324,890	28,280,397	29,283,907	26,059,462	25,324,417	(735,045)
Total Requirements	135,996,594	150,200,966	53,624,875	61,720,187	157,188,824	159,507,612	2,318,788
Departmental Revenue							
Licenses & Permits	-	-	-	-	-	138,955	138,955
Fines and Forfeitures	-	-	-	-	-	789,878	789,878
Realignment	10,482,189	10,558,061	14,223,473	6,913,310	12,188,824	11,887,441	(301,383)
State, Fed or Gov't Aid	-	-	-	-	-	400,500	400,500
Current Services	110,514,405	124,642,905	24,509,402	31,327,091	130,000,000	130,347,236	347,236
Other Revenue	-	-	-	-	-	5,000	5,000
Other Financing Sources	-	-	-	8,479,786	-	-	-
Total Revenue	120,996,594	135,200,966	38,732,875	46,720,187	142,188,824	143,569,010	1,380,186
Operating Transfers In	-	-	-	-	-	938,602	938,602
Total Financing Sources	120,996,594	135,200,966	38,732,875	46,720,187	142,188,824	144,507,612	2,318,788
Local Cost	15,000,000	15,000,000	14,892,000	15,000,000	15,000,000	15,000,000	-
Budgeted Staffing					4.0	20.8	16.8

Salaries and benefits of \$1,813,683 fund 20.8 positions, and are increasing by \$1,281,483 primarily as a result of the transfer of 18.8 positions from the Inland Counties Emergency Medical Agency (ICEMA). These additions were offset by the transfer of 1.0 Deputy Administrative Officer and 1.0 Executive Secretary to the County Administrative Office budget unit to better align with the administrative support these two staff provide.

Service and supplies of \$718,293 are increasing by \$651,803, again primarily as a result of reflecting operational costs for ICEMA, which includes computer and equipment purchases, professional services contracts for the ICEMA Medical Director and Homeland Security and Emergency Preparedness consultants, and travel related expenses.



Other charges of \$130,753,730 continue to reflect the budgeting of matching contributions to the State for the newly enacted SB 1100 at the previously higher rate, as the precise impact of the new program is still undetermined, and increased transfers to the State may become necessary. The increase of \$503,700 reflects the anticipated contributions from ICEMA to local area hospitals for pediatric trauma care.

Equipment is budgeted at \$74,000 for purchase of an Advance Life Support monitor/defibrillator, ParaPAC transport ventilator, new file server, and Toughbooks to be utilized with the new Healthware Solutions software.

Transfers of \$811,898 represent payment to other departments for employee relations, the Employee Health and Productivity program, and lease costs. The \$535,830 increase results primarily from payment for administrative and program support from the County Administrative Office, ongoing health care computer programming development to be conducted by Information Services Department, and administrative support from the Department of Public Health for ICEMA.

Operating transfers out of \$25,324,417 fund \$4.3 of Realignment local match, which must be transferred into trust, before Health Realignment monies can be directed toward the Public Health and Arrowhead Regional Medical Center budget units to fund health programs, and \$21.0 million of net debt service lease payment for Arrowhead Regional Medical Center. These transfers are funded by \$15.0 million of Tobacco Master Settlement Agreement monies and an additional \$10.3 million of Realignment.

Licenses and permits of \$138,955 include revenue from ambulance licensure and Emergency Medical Technician certification.

Fines and forfeitures of \$789,878 include fines collected by the Superior Court for criminal offenses, which are used to support ICEMA.

Realignment revenue of \$11,887,441 is decreasing by \$301,383 primarily as a result of decreases in net debt service lease payments for Arrowhead Regional Medical Center.

State aid of \$400,500 represents funding from the Emergency Medical Services Authority (EMSA) to support maintenance of the three-county Joint Powers Agreement; the Regional Disaster Medical Health Specialist's Area VI, which includes San Diego, Imperial, Riverside, Inyo, Mono, and San Bernardino counties; and the Disaster Medical Assistance Team.

Current services of \$130,347,236 continues to reflect the budgeting for receipt of the initial matching contribution to the State at the previously higher rate, given that the precise impact under the new SB 1100 are as yet undetermined, and any resulting increases in matching contributions (reflected as Other charges above) would result in commensurate increases to current services revenues. The increase of \$347,236 reflects anticipated revenue from ICEMA's performance based ambulance contracts.

Operating transfers in of \$938,602 reflect transfers from the Pediatric Trauma, Hospital Preparedness and Performance Based Fines special revenue funds for expenditures related to ICEMA.

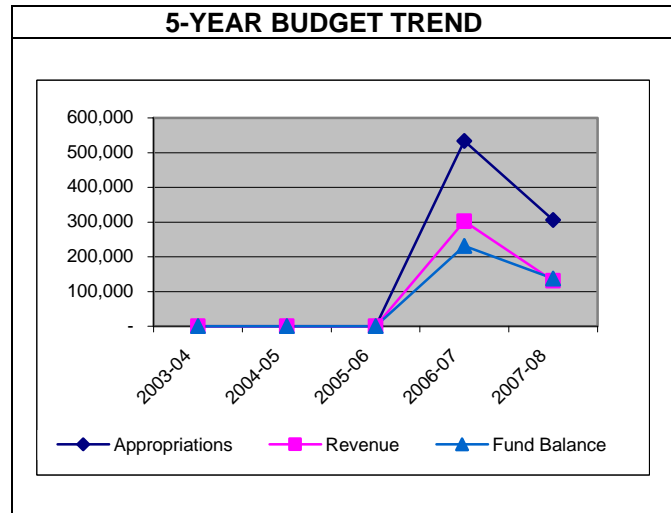
Ambulance Performance Based Fines

DESCRIPTION OF MAJOR SERVICES

This fund is set up to collect revenue (fines) associated with ambulance companies' failure to meet contractual response time standards. Per the terms of the contracts, these funds are earmarked for enhancements to the Emergency Medical System.

There is no staffing associated with this budget unit.

BUDGET HISTORY



PERFORMANCE HISTORY

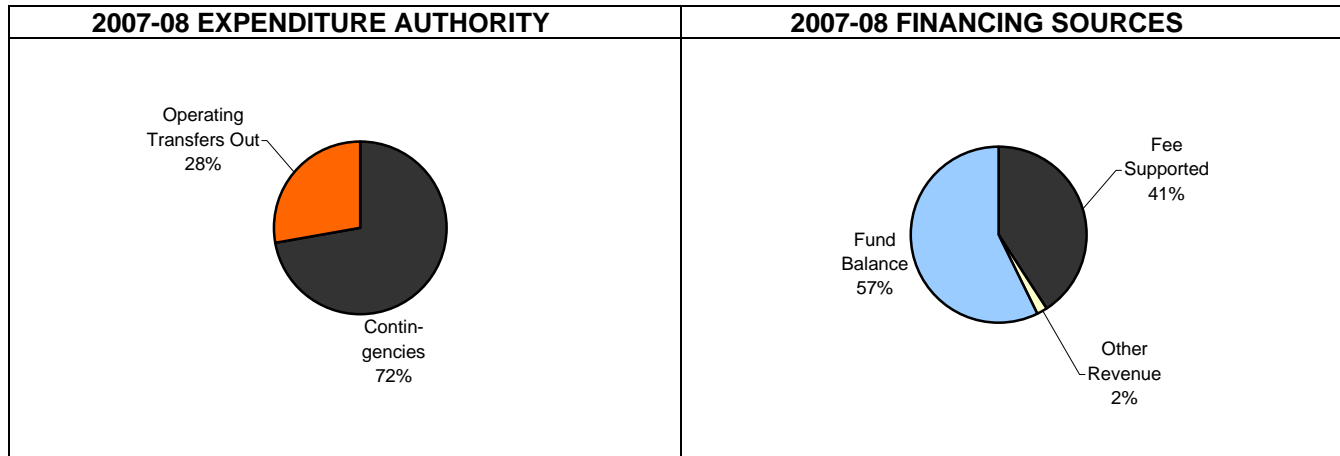
	2003-04 Actual	2004-05 Actual	2005-06 Actual	2006-07 Modified Budget	2006-07 Actual
Appropriation	-	-	-	533,911	229,597
Departmental Revenue	-	-	231,411	302,500	173,637
Fund Balance	-	-		231,411	

In accordance with Section 29009 of the State Government Code, the entire unreserved fund balance must be appropriated each year. The amount not expended is carried over to the subsequent year's budget. In 2006-07, the Board of Supervisors approved an appropriation transfer of \$229,597 from contingencies to operating transfer out for purchase of an electronic pre-hospital patient care data collection and syndromic surveillance system.

Departmental revenue is less than modified budget primarily due to improved response times on the part of ambulance service providers.



ANALYSIS OF FINAL BUDGET



GROUP: Administrative/Executive
DEPARTMENT: Health Administration
FUND: Performance Based Fines

BUDGET UNIT: SDS HCC
FUNCTION: Health and Sanitation
ACTIVITY: Hospital Care

	2003-04 Actual	2004-05 Actual	2005-06 Actual	2006-07 Actual	2006-07 Final Budget	2007-08 Final Budget	Change From 2006-07 Final Budget
Appropriation							
Contingencies	-	-	-	-	533,911	220,951	(312,960)
Total Appropriation	-	-	-	-	533,911	220,951	(312,960)
Operating Transfers Out	-	-	-	229,597	-	85,500	85,500
Total Requirements	-	-	-	229,597	533,911	306,451	(227,460)
Departmental Revenue							
Fines and Forfeitures	-	-	227,756	161,068	300,000	125,000	(175,000)
Use of Money and Prop	-	-	3,655	12,569	2,500	6,000	3,500
Total Revenue	-	-	231,411	173,637	302,500	131,000	(171,500)
Fund Balance					231,411	175,451	(55,960)

Contingencies of \$220,951 reflect a decrease of \$312,960 based on decreased departmental revenue and fund balance.

Operating transfers out of \$85,500 reflect funding for a Statistical Methods Analyst.

Fines and forfeitures of \$125,000 are decreased by \$175,000 to reflect anticipated receipt of fines. Interest revenue of \$6,000 is anticipated based on current interest rates.



Pediatric Trauma

DESCRIPTION OF MAJOR SERVICES

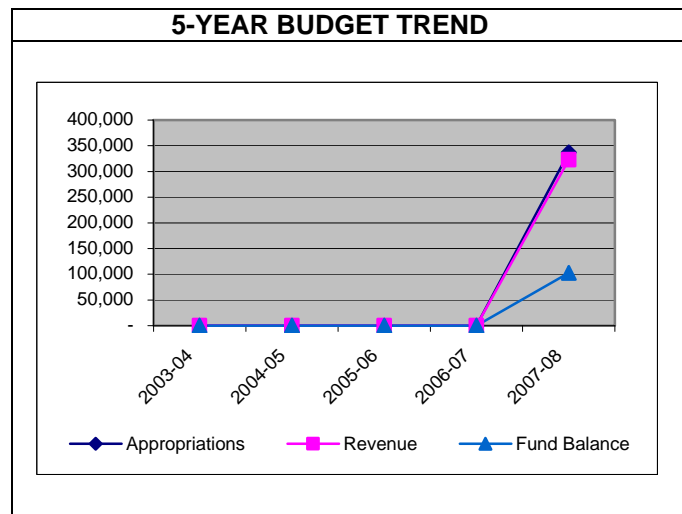
This fund is set up to collect revenue (fines) associated with implementation of SB 1773, Chapter 841 of the Statutes of 2006, which allows counties to collect an additional two dollars (\$2) for every ten dollars (\$10) or fraction thereof, upon various fines, penalties, forfeitures, and primary moving violations collected by the San Bernardino Court and deposited into the Maddy Fund.

The additional fines collected will be distributed as follows:

- A. 10% for administration
- B. 15% of the remaining funds to be deposited into the Pediatric Trauma Fund; with the remaining funds further allocated as follows:
 - a. 58% for physician reimbursement
 - b. 25% for hospital reimbursement (Disproportionate Hospitals)
 - c. 17% for Emergency Medical (EMS) programs

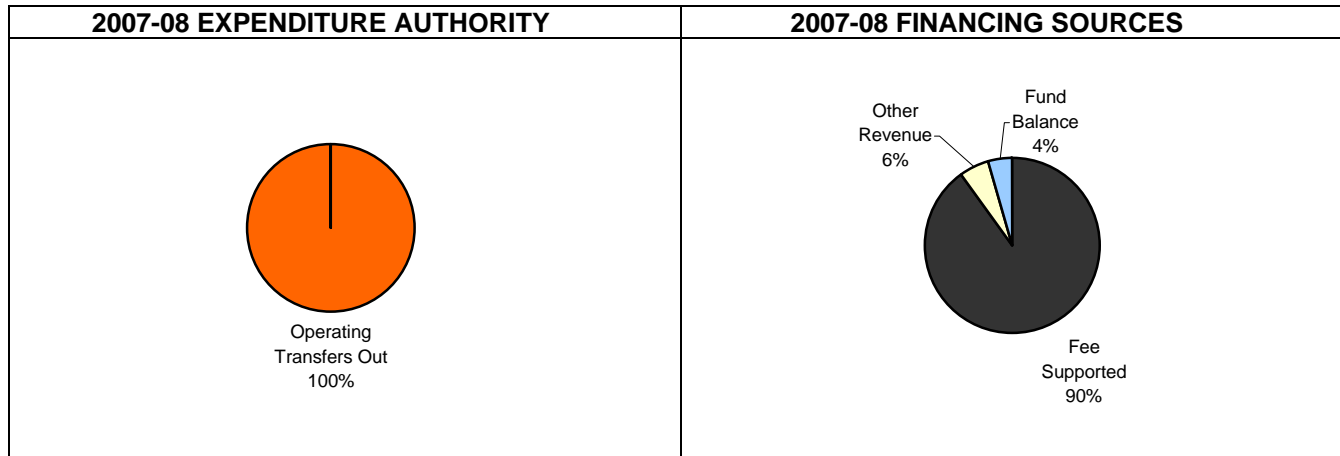
There is no staffing associated with this budget unit.

BUDGET HISTORY



This is a newly established budget unit in 2007-08 and therefore no history available.

ANALYSIS OF FINAL BUDGET



GROUP: Administrative/Executive
DEPARTMENT: Health Administration
FUND: Pediatric Trauma

BUDGET UNIT: SZA HCC
FUNCTION: Health and Sanitation
ACTIVITY: Hospital Care

	2003-04 Actual	2004-05 Actual	2005-06 Actual	2006-07 Actual	2006-07 Final Budget	2007-08 Final Budget	Change From 2006-07 Final Budget
<u>Appropriation</u>							
Operating Transfers Out	-	-	-	-	-	337,337	337,337
Total Requirements	-	-	-	-	-	337,337	337,337
<u>Departmental Revenue</u>							
Fines and Forfeitures	-	-	-	-	-	303,547	303,547
Use of Money and Prop	-	-	-	-	-	19,022	19,022
Other Revenue	-	-	-	14,768	-	-	-
Total Revenue	-	-	-	14,768	-	322,569	322,569
Fund Balance	-	-	-	-	-	14,768	14,768

Operating transfers out of \$337,337 reflect anticipated payment to trauma centers and local area hospitals providing care to pediatric trauma patients.

Fines and forfeitures of \$303,547 reflect anticipated receipt of revenue from court fines. Interest revenue of \$19,022 is anticipated based on current interest rates.



Hospital Preparedness

DESCRIPTION OF MAJOR SERVICES

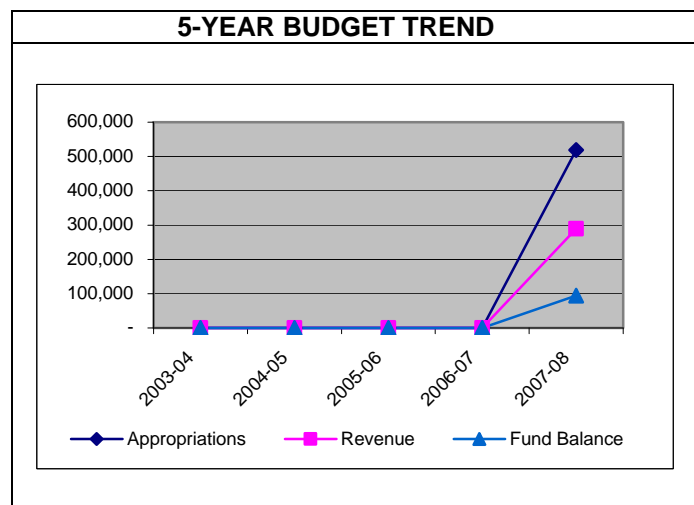
State bio-terrorism funds are received and transferred out as needed to the Inland Counties Emergency Medical Agency (ICEMA) as reimbursement for actual preparedness, response, and training of hospital staff as it relates to bio-terrorism events. This is a financing budget only with funds being transferred from this special revenue account to reimburse ICEMA for expenditures.

In the past, the Department of Public Health applied separately through the state for funding from the Centers of Disease Control (CDC) for Bio-Terrorism, Pandemic Influenza, and Cities Readiness Initiative and from the Health Resources Services and Administration (HRSA) for hospital preparedness. In 2006-07, the federal government changed its grant application process for preparedness and response funding by combining the applications.

On August 31, 2007, ICEMA will become responsible for managing HRSA hospital preparedness funds. The remaining three sections from the CDC for Bio-Terrorism, Pandemic Influenza and Cities Readiness Initiative will remain the responsibility of the Department of Public Health.

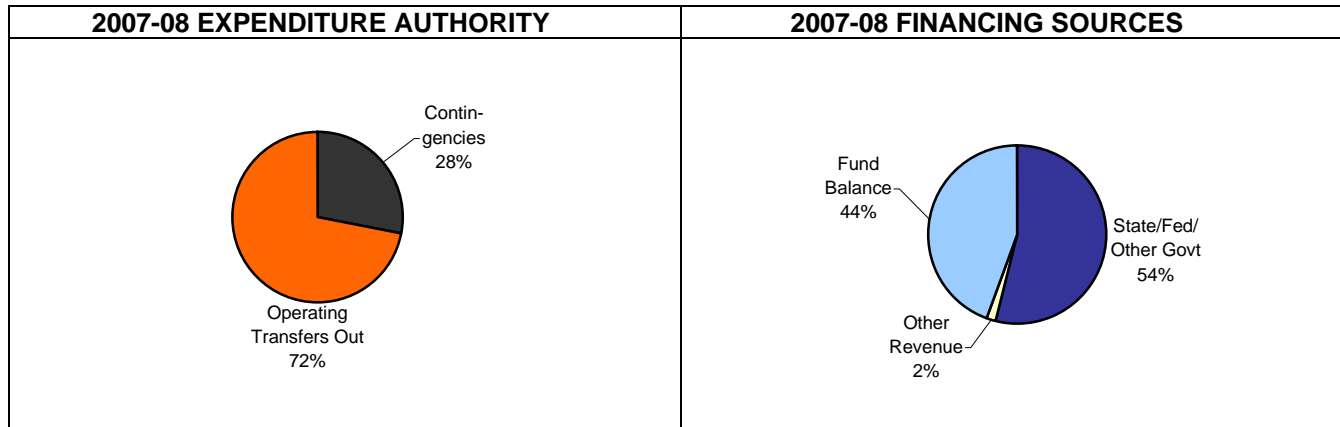
There is no staffing associated with this budget unit.

BUDGET HISTORY



This is a newly established budget unit in 2007-08 therefore no history is available.

ANALYSIS OF FINAL BUDGET



GROUP: Administrative/Executive
DEPARTMENT: Health Administration
FUND: Hospital Preparedness

BUDGET UNIT: SZB HCC
FUNCTION: Health and Sanitation
ACTIVITY: Hospital Care

	2003-04 Actual	2004-05 Actual	2005-06 Actual	2006-07 Actual	2006-07 Final Budget	2007-08 Final Budget	Change From 2006-07 Final Budget
Appropriation							
Contingencies	-	-	-	-	-	145,478	145,478
Total Appropriation	-	-	-	-	-	145,478	145,478
Operating Transfers Out	-	-	-	-	-	373,372	373,372
Total Requirements	-	-	-	-	-	518,850	518,850
Departmental Revenue							
Use of Money and Prop	-	-	-	546	-	8,774	8,774
State, Fed or Gov't Aid	-	-	-	229,501	-	280,029	280,029
Total Revenue	-	-	-	230,047	-	288,803	288,803
Fund Balance	-	-	-	-	-	230,047	230,047

Contingencies of \$145,478 are based on undesignated available fund balance. In accordance with Section 29009 of the State Government Code, the entire unreserved fund balance must be appropriated each year. The amount not expended will be carried over to the subsequent year budget.

Operating transfers out of \$373,372 reflect funding for a Nurse Educator, purchase of a heart monitor, and expenditures associated with conducting decontamination and weapons of mass destruction exercises and trainings.

State aid of \$280,029 reflects funding for Hospital Preparedness now being recorded in this special revenue fund. Interest revenue of \$8,774 is anticipated based on current interest rate.



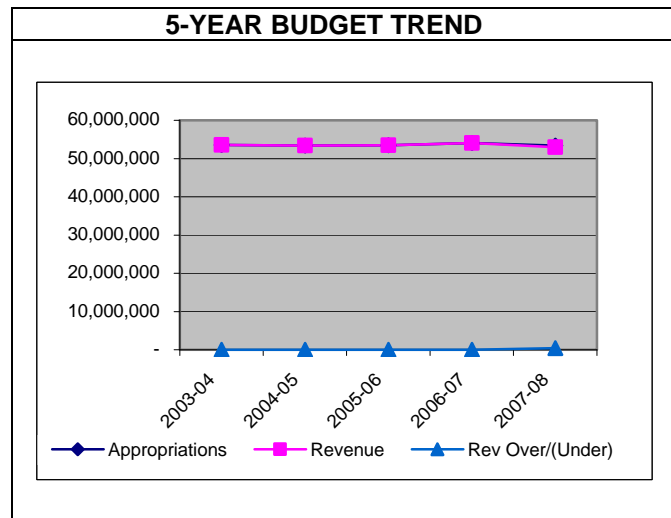
Medical Center Lease Payments

DESCRIPTION OF MAJOR SERVICES

This unit funds the cost of long-term lease payments to the Inland Empire Public Facilities Corporation for the Arrowhead Regional Medical Center (ARMC) facility. Funding sources include state revenues from SB 1732 that provides supplemental reimbursement for construction, renovation, or replacement of medical facilities or fixed equipment, operating transfers from ARMC representing Medicare and fee for service revenues, and operating transfers from the general fund backed by Health Realignment revenues and tobacco settlement proceeds.

There is no staffing associated with this budget unit.

BUDGET HISTORY



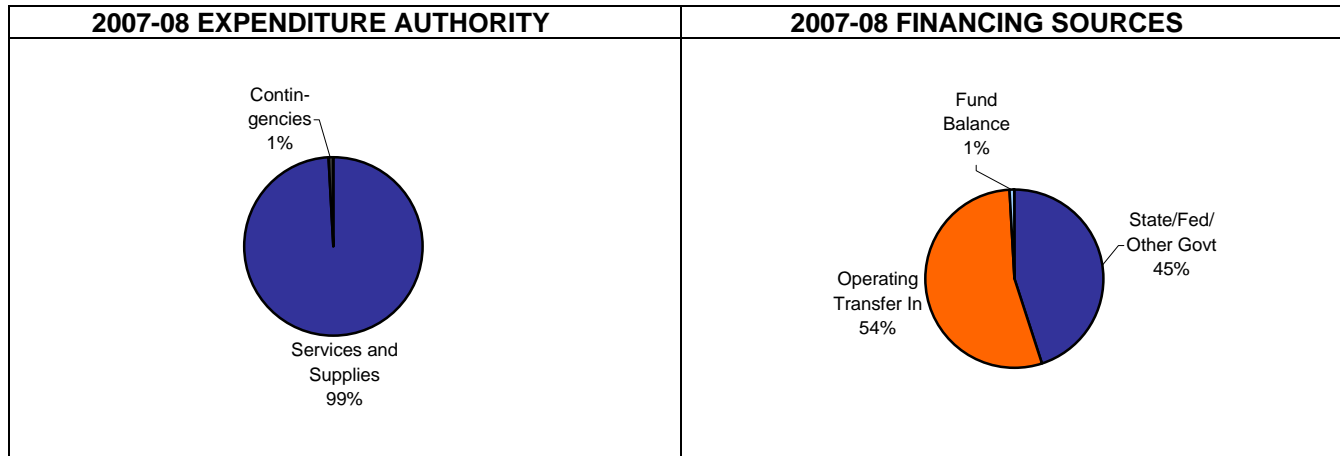
PERFORMANCE HISTORY

	2003-04 Actual	2004-05 Actual	2005-06 Actual	2006-07 Modified Budget	2006-07 Actual
Appropriation	53,519,080	53,267,557	53,485,019	54,023,686	52,143,704
Departmental Revenue	53,519,080	53,267,557	53,485,019	54,023,686	52,554,589
Rev Over/(Under) Exp	-	-	-	-	410,885

Actual appropriation is less than modified budget due primarily to lower than budgeted lease payments, which were the result of savings realized from one-time excess interest revenue in one of the debt service reserve funds, in the amount of \$1.1 million. In addition, there was savings on the interest rate swap associated with the 1998 Medical Center Bonds, in the amount of \$835,494.



ANALYSIS OF FINAL BUDGET



GROUP: Administrative/Executive
DEPARTMENT: Joint Powers Lease
FUND: ARMC Lease Payments

BUDGET UNIT: EMD JPL
FUNCTION: General
ACTIVITY: Property Management

	2003-04 Actual	2004-05 Actual	2005-06 Actual	2006-07 Actual	2006-07 Final Budget	2007-08 Final Budget	Change From 2006-07 Final Budget
Appropriation							
Services and Supplies	53,519,080	53,267,557	53,485,019	52,143,704	54,023,686	53,008,963	(1,014,723)
Contingencies	-	-	-	-	-	410,885	410,885
Total Appropriation	53,519,080	53,267,557	53,485,019	52,143,704	54,023,686	53,419,848	(603,838)
Departmental Revenue							
State, Fed or Gov't Aid	22,165,895	20,259,346	21,521,301	26,594,189	24,280,903	24,001,225	(279,678)
Total Revenue	22,165,895	20,259,346	21,521,301	26,594,189	24,280,903	24,001,225	(279,678)
Operating Transfers In	31,353,185	33,008,211	31,963,718	25,960,400	29,742,783	29,007,738	(735,045)
Total Financing Sources	53,519,080	53,267,557	53,485,019	52,554,589	54,023,686	53,008,963	(1,014,723)
Rev Over/(Under) Exp	-	-	-	410,885	-	(410,885)	410,885

Services and supplies of \$53,008,963 are decreased to reflect decreased lease payments and associated fees of \$1,014,723.

On February 13, 2007, the Board of Supervisors approved a change to county Budget Financing Policy 02-09 requiring that any benefit realized on interest rate swap agreements by the county be retained as a contingency to offset the county share of any future increases in debt service caused by the swap agreement. Contingencies of \$410,885 are established for 2007-08 and shall become cumulative until such time as the contingency amount reaches \$5.0 million.

State aid of \$24,001,225 is decreased by \$279,678 due to a decrease in SB 1732 reimbursement. A portion of the medical center lease payments is reimbursed by the state through the Construction Renovation/Reimbursement Program (SB 1732). The amount reimbursed by the state depends on the allowable lease payments multiplied by a rate that is calculated by the state every year. The rate fluctuates up or down based on the actual Medi-Cal inpatient days paid to Arrowhead Regional Medical Center.

Operating transfers in of \$29,007,738 are funded by \$10.7 million of Tobacco Master Settlement Agreement monies and \$10.3 million of Realignment. The remaining \$8.0 million represents revenues anticipated to be generated by Arrowhead Regional Medical Center and transferred to fund the remaining debt service lease payment.



Master Settlement Agreement

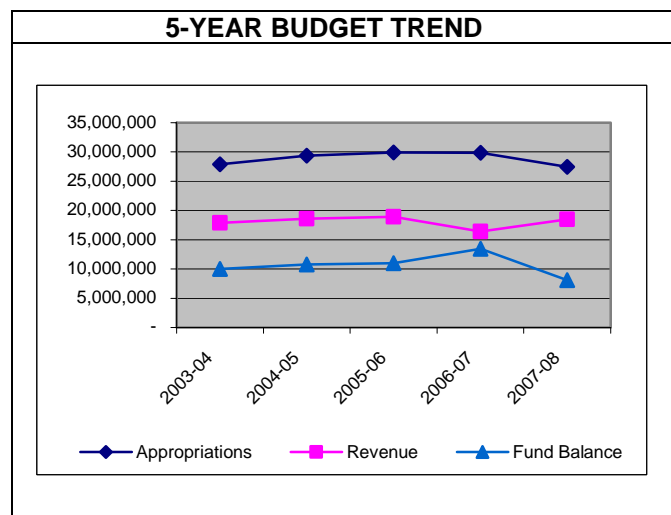
DESCRIPTION OF MAJOR SERVICES

This budget unit accounts for proceeds received from the tobacco lawsuit Master Settlement Agreement (MSA). In late 1998 a settlement was reached in a lawsuit filed by states against the tobacco industry. In California, the proceeds of the settlement are to be divided equally between the state and local governments who partnered in the lawsuit. Payments to local governments are based on a formula involving total tobacco sales and each local entity's population.

A majority of the county's total proceeds are used each year to finance a portion of the Arrowhead Regional Medical Center debt.

There is no staffing associated with this budget unit.

BUDGET HISTORY



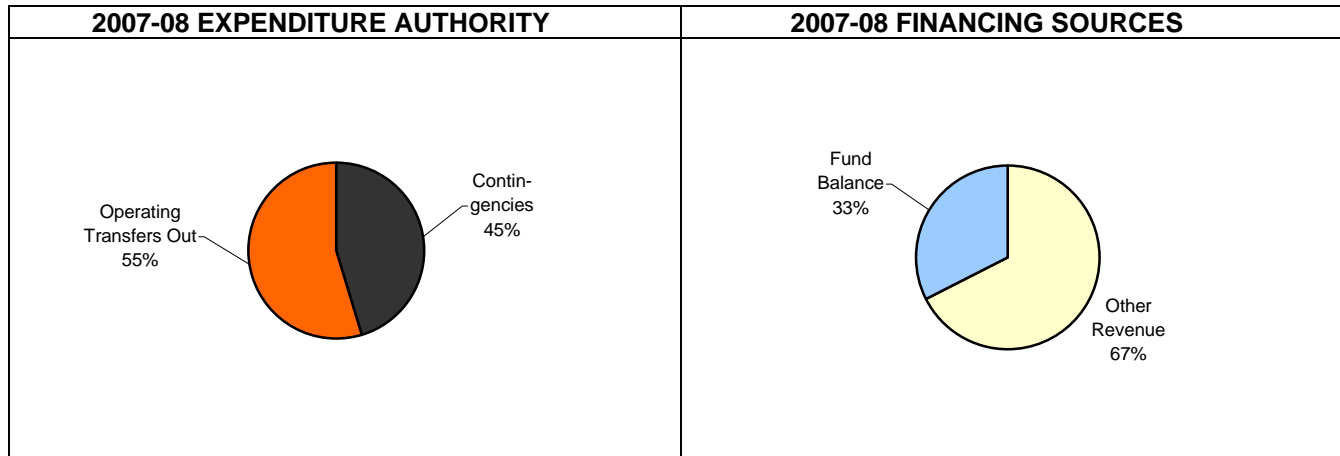
PERFORMANCE HISTORY

	2003-04 Actual	2004-05 Actual	2005-06 Actual	2006-07 Modified Budget	2006-07 Actual
Appropriation	-	18,633,000	15,000,000	29,851,043	22,933,000
Departmental Revenue	18,473,314	18,757,407	17,438,142	16,423,588	18,440,431
Fund Balance				13,427,455	

In accordance with Section 29009 of the State Government Code, the entire unreserved fund balance must be appropriated each year. Accordingly, actual expenditure is less than modified budget. Actual departmental revenue is higher than modified budget due to an increase in settlement monies being received.



ANALYSIS OF FINAL BUDGET



GROUP: Administrative/Executive
DEPARTMENT: Master Settlement Agreement
FUND: Tobacco Settlement Agreement

BUDGET UNIT: RSM MSA
FUNCTION: Health and Sanitation
ACTIVITY: Hospital Care

	2003-04 Actual	2004-05 Actual	2005-06 Actual	2006-07 Actual	2006-07 Final Budget	2007-08 Final Budget	Change From 2006-07 Final Budget
Appropriation							
Services and Supplies	-	-	-	-	170,730	-	(170,730)
Other Charges	-	-	-	4,000,000	4,000,000	-	(4,000,000)
Contingencies	-	-	-	-	6,747,313	12,434,886	5,687,573
Total Appropriation	-	-	-	4,000,000	10,918,043	12,434,886	1,516,843
Operating Transfers Out	-	18,633,000	15,000,000	18,933,000	18,933,000	15,000,000	(3,933,000)
Total Requirements	-	18,633,000	15,000,000	22,933,000	29,851,043	27,434,886	(2,416,157)
Departmental Revenue							
Use of Money and Prop	269,155	280,108	479,359	689,674	250,000	500,000	250,000
Other Revenue	18,204,159	18,477,299	16,958,783	17,750,757	16,173,588	18,000,000	1,826,412
Total Revenue	18,473,314	18,757,407	17,438,142	18,440,431	16,423,588	18,500,000	2,076,412
Fund Balance					13,427,455	8,934,886	(4,492,569)

Other charges are decreased by the one-time transfer of \$4.0 million to Chaffey College that occurred in 2006-07.

Contingencies of \$12,434,886 are increased by \$5,687,573 to reflect increased revenues, offset by the decreased fund balance primarily resulting from the one-time transfer to Chaffey College.

Operating transfers out of \$15.0 million reflect a transfer to the general fund which is then used to fund the local cost within the Health Administration budget unit. Health Administration uses that local cost to fund the \$4.3 realignment local match requirement and \$10.7 of net debt service lease payment for Arrowhead Regional Medical Center. The decrease of \$3.9 million is a result of eliminating the contribution to general fund financing.

Interest revenue of \$500,000 is increased by \$250,000 to reflect current interest rates and increased other revenue.

Other revenue of \$18.0 million is increased by \$1.8 million to reflect an anticipated increase in revenue received from the major tobacco companies to the Master Settlement Agreement fund.



Federal Forest Reserve

DESCRIPTION OF MAJOR SERVICES

In 1908, Congress enacted a law that requires 25% of the revenues derived from the National Forest System to be given to counties in which the lands are situated for the equal benefit of public schools and roads. Pursuant to Public Law No. 106-393, enacted on October 30, 2000, counties could elect to remain under the 25% Payment Method with fluctuating funding levels or change to the Full Payment Method, that requires these revenues to fund either Title II or Title III projects under the Act. The County elected the Full Payment Method.

Title II project funds may be used for the purpose of making additional investments in, and creating additional employment opportunities through projects that improve the maintenance of existing infrastructure, implementing stewardship objectives that enhance forest ecosystems, and restoring and improving land health and water quality.

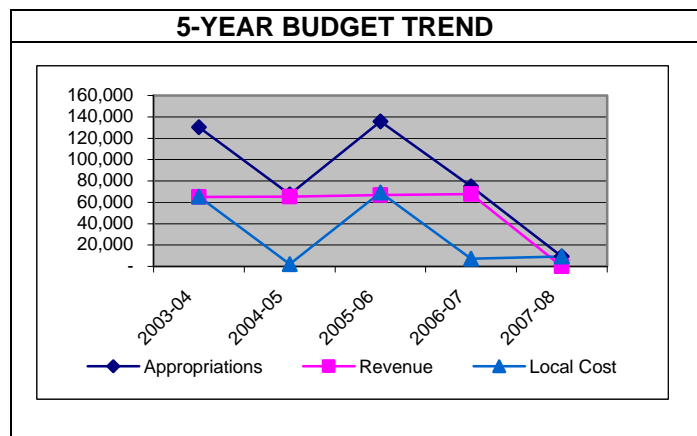
Authorized uses for Title III projects include search, rescue, and emergency services; community service work camps, easement purchases; forest-related educational opportunities; fire prevention and county planning; and community forestry. The State Controller's Office distributes funds to each eligible county according to the agreed upon formula and the counties' election of fund distribution. Title III funding is utilized by County Fire Department to develop fire prevention and community forestry projects that are necessary for the protection of people and property.

The county can select project(s), provided there is a description of the proposed project in the publications of the local record and a 45-day public comment period. The Clerk of the Board is directed to publish a 45-day notice of intent to use the Federal Title III Agriculture Forest Reserve Payment funds for proposed project expenditures including but not limiting to County Fire Department or the Public Works Department.

When the 2007-08 final budget was adopted, this budget unit reflected the results of the elimination of the Title III program due to Congress terminating funding on September 30, 2006. However, on July 28, 2007, the County Administrative Office was notified by the United States Department of Agriculture that Congress had extended the Title III program and the County was to receive payment for an additional year. Due to the timing of the extension, the funding is not depicted in the 2007-08 final budget adoption. A 2007-08 midyear agenda item will increase appropriation and revenue of approximately \$67,000 for Title III funding.

There is no staffing associated with this budget unit.

BUDGET HISTORY



PERFORMANCE HISTORY

	2003-04 Actual	2004-05 Actual	2005-06 Actual	2006-07 Modified Budget	2006-07 Actual
Appropriation	130,317	-	132,572	74,869	67,743
Departmental Revenue	67,145	66,995	70,599	67,701	69,933
Fund Balance				7,168	



ANALYSIS OF FINAL BUDGET

GROUP: Administrative/Executive
DEPARTMENT: County Administrative Office
FUND: Federal Forest Reserve

BUDGET UNIT: SFB CAO
FUNCTION: General
ACTIVITY: Other Protection

	2003-04 Actual	2004-05 Actual	2005-06 Actual	2006-07 Actual	2006-07 Final Budget	2007-08 Final Budget	Change From 2006-07 Final Budget
<u>Appropriation</u>							
Operating Transfers Out	130,317	-	132,572	67,743	74,869	9,358	(65,511)
Total Requirements	130,317	-	132,572	67,743	74,869	9,358	(65,511)
<u>Departmental Revenue</u>							
Use of Money and Prop	1,775	775	2,856	1,513	775	-	(775)
State, Fed or Gov't Aid	65,370	66,220	67,743	68,420	66,926	-	(66,926)
Total Revenue	67,145	66,995	70,599	69,933	67,701	-	(67,701)
Fund Balance	63,172	(66,995)	61,973	(2,190)	7,168	9,358	2,190

The 2007-08 final budget reflects the termination of the program and the remaining fund balance to be transferred to the Public Works Department. However, on July 28, 2007, the County Administrative Office was notified by the United States Department of Agriculture that Congress had extended the Title III program and the county was to receive payment for an additional year. This final budget will be amended mid-year to reflect the one year extension of the program increasing appropriation and revenue of approximately \$67,000.



COUNTY COUNSEL

Ruth Stringer

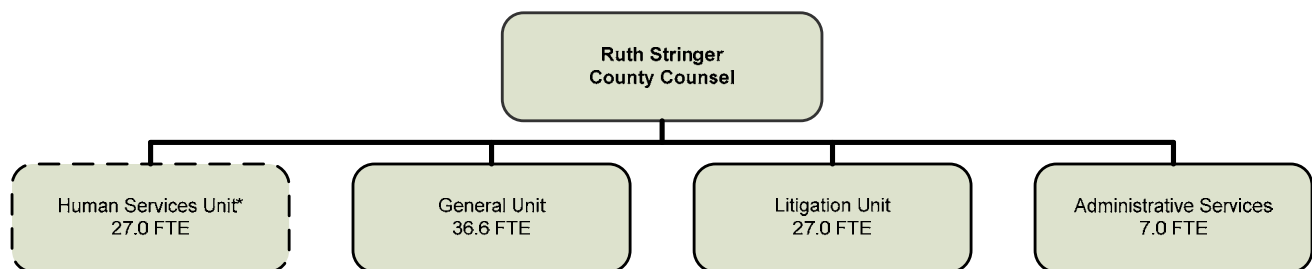
MISSION STATEMENT

To serve and protect the county, its treasury, and its governing body, by providing timely and accurate legal services and aggressively representing the county in litigation. Legal services shall be performed maintaining the highest professional and ethical standards while fostering high morale and productivity in the work place through collaborative efforts dedicated to continuous improvement.

STRATEGIC GOALS

1. Provide accurate, timely and reliable document and contract review and legal advice for their clients in order to help them achieve their objectives.
2. Provide exemplary litigation services, by defending actions and decisions, and advocating positions of our clients to assist those clients in achieving their objectives.
3. Represent the county and advocate to protect the interests of the client in cases involving children referred to the Department of Children Services.

ORGANIZATIONAL CHART



* These positions are budgeted in the HS Budget Unit.

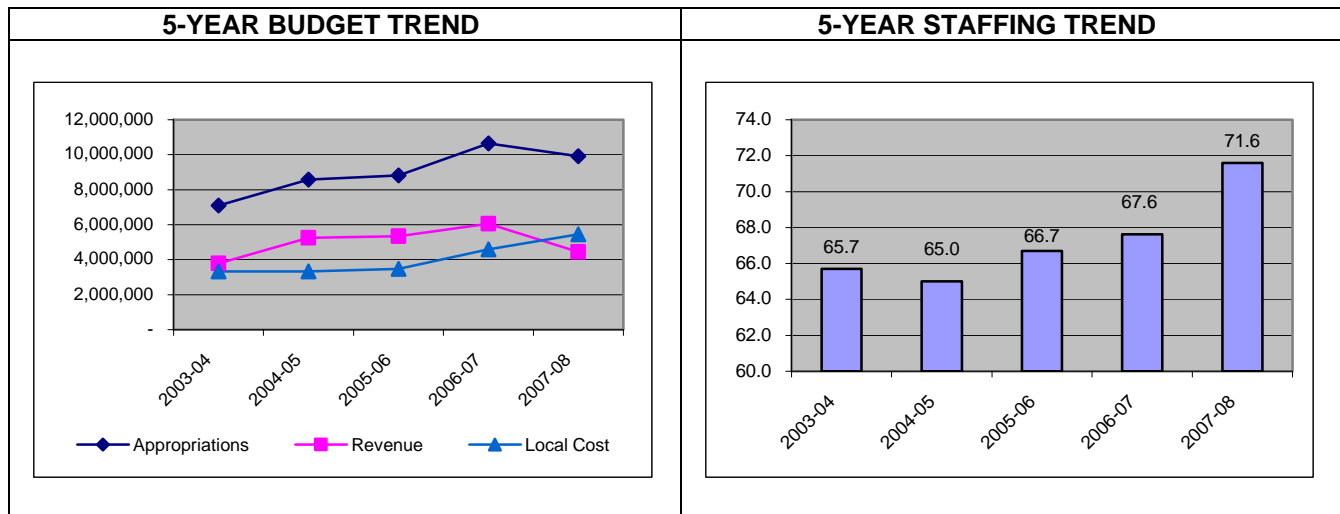


DESCRIPTION OF MAJOR SERVICES

County Counsel provides civil legal services to the Board of Supervisors, County Administrative Office, county departments, commissions, special districts, and school districts. County Counsel also provides legal services to various joint powers authorities and represents the courts and judges on certain matters.

In performing its duties, the County Counsel's Department is divided into three operational units: the Litigation Unit, which handles tort and civil rights litigation, workers' compensation and code enforcement; the Human Services Unit, which serves the Human Services departments; and the General Unit, which provides legal services to county departments supported by the general fund.

BUDGET HISTORY

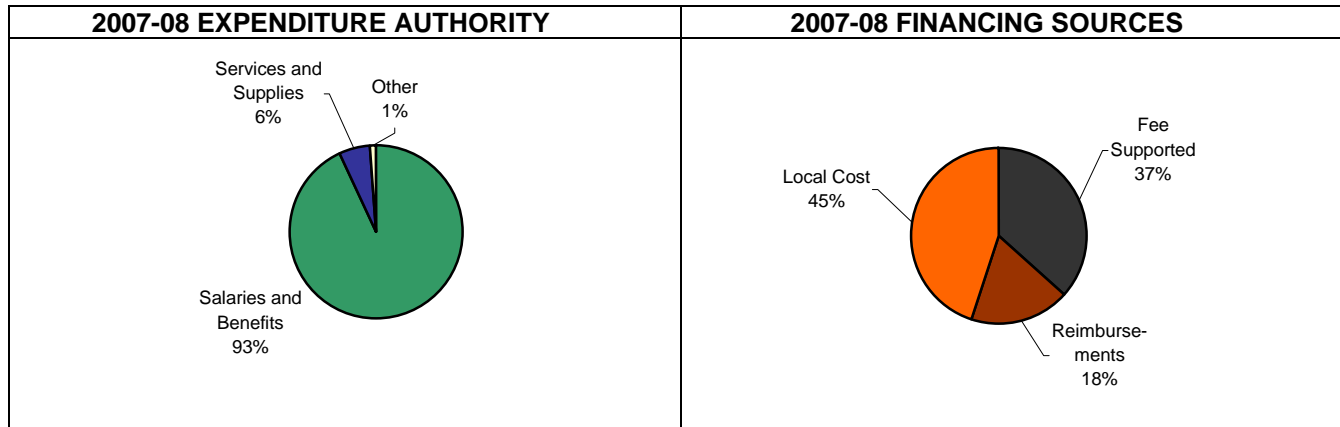


PERFORMANCE HISTORY

	2003-04 Actual	2004-05 Actual	2005-06 Actual	2006-07 Modified Budget	2006-07 Actual
Appropriation	7,042,372	8,118,509	9,145,838	10,640,844	10,150,981
Departmental Revenue	4,097,031	4,910,634	4,656,166	6,051,944	5,840,190
Local Cost	2,945,341	3,207,875	4,489,672	4,588,900	4,310,791
Budgeted Staffing				67.6	



ANALYSIS OF FINAL BUDGET



GROUP: Administrative/Executive
DEPARTMENT: County Counsel
FUND: General

BUDGET UNIT: AAA CCL
FUNCTION: General
ACTIVITY: Counsel

	2003-04 Actual	2004-05 Actual	2005-06 Actual	2006-07 Actual	2006-07 Final Budget	2007-08 Final Budget	Change From 2006-07 Final Budget
Appropriation							
Salaries and Benefits	6,998,072	7,281,609	8,420,090	9,125,530	9,614,525	11,251,362	1,636,837
Services and Supplies	658,902	765,122	573,403	773,625	645,297	627,307	(17,990)
Central Computer	44,901	59,254	71,451	90,952	90,952	95,159	4,207
Equipment	-	-	-	92,663	200,000	-	(200,000)
Transfers	-	-	80,894	95,158	90,070	130,231	40,161
Total Exp Authority	7,701,875	8,105,985	9,145,838	10,177,928	10,640,844	12,104,059	1,463,215
Reimbursements	(671,812)	-	-	(26,947)	-	(2,193,121)	(2,193,121)
Total Appropriation	7,030,063	8,105,985	9,145,838	10,150,981	10,640,844	9,910,938	(729,906)
Operating Transfers Out	12,309	12,524	-	-	-	-	-
Total Requirements	7,042,372	8,118,509	9,145,838	10,150,981	10,640,844	9,910,938	(729,906)
Departmental Revenue							
Current Services	4,097,031	4,910,634	4,654,051	5,840,175	6,051,944	4,454,209	(1,597,735)
Other Revenue	-	-	2,115	15	-	-	-
Total Revenue	4,097,031	4,910,634	4,656,166	5,840,190	6,051,944	4,454,209	(1,597,735)
Local Cost	2,945,341	3,207,875	4,489,672	4,310,791	4,588,900	5,456,729	867,829
Budgeted Staffing					67.6	71.6	4.0

Salaries and benefits of \$11,251,362 fund 71.6 positions and are increasing by \$1,636,837 due to an increase in local cost allocation of \$514,090 to fund anticipated retirement costs, increases in workers' compensation charges, and other costs associated with MOU and retirement rate adjustments. Additionally, a net increase of \$553,823 includes the increase of 3.0 budgeted staffing (1.0 paralegal, 1.0 executive secretary II, and 1.0 chief deputy county counsel) which are the result of two policy items that were approved by the Board of Supervisors, an increase of 0.4 budgeted staffing due to the reclassification of a part-time temporary position to a part-time regular position; and the addition of 0.6 budgeted staffing for two new returning retirees to assist with workload.

Services and supplies of \$627,307 include professional services such as expert witnesses, outside counsel costs, transcriber costs, general office expense, computer hardware purchases, small equipment purchases, and other expenses such as publications, memberships, and travel related expenses. The decrease of \$17,990 is mainly attributed to the reclassification of services and supplies costs to transfers.

Equipment decreased by \$200,000 as the result of the removal of last year's approved policy item for computer equipment.



Transfers of \$130,231 include charges to other county departments for rents operated by Real Estate Services, systems support services shared with the Board of Supervisors, employee programs provided by Human Resources and maintenance provided by the Facilities Management Department. Increases to this line item are the result of reclassifications from services and supplies.

Reimbursements of \$2,193,121 represent reimbursements from other departments for services rendered by County Counsel. Previously, this reimbursement amount was recorded as revenue; however, GASB 34 accounting guidelines require this to be classified as reimbursement when the paying department is in the same fund.

Current services of \$4,454,209 represent the revenues received from non-general fund departments and outside clients. A net decrease of \$1,597,735 from the prior year is a result of several factors. These factors include the reclassification of revenues and reimbursements required by GASB 34, a fee increase approved by the Board of Supervisors, additional revenues resulting from the two fully-funded returning retirees, and a slight increase in hours anticipated from non-general fund clients.

PERFORMANCE MEASURES			
Description of Performance Measure	2006-07 Projected	2006-07 Actual	2007-08 Projected
Percentage of contracts that are reviewed within two weeks of receipt.	85%	99%	95%
Percentage of clients who ranked satisfactory or above on advice they received by attorneys which was clear, relevant, and timely.	85%	*	95%
Percentage of cases being litigated that resulted in resolution in favor of the county or within liability limits.	85%	94%	95%
Percentage of juvenile cases being resolved with the desired outcome, as determined by the Department of Children's Services. (2252 cases as of 2006-07)	New	93%	90%
Percentage completion of computer systems hardware/platform software upgrade.	50%	50%	100%
Percentage increase in general unit attorney service hours.	50%	47%	65%
Percentage increase in general unit staff support.	New	New	10%
Percentage of improved responsiveness of legal services to the Board and County Administrative Office for special projects and increased demand for legal services.	New	New	10%
* Due to changes in key management staff no survey was sent out in 2006-07.			



HUMAN RESOURCES

Andrew L. Lamberto

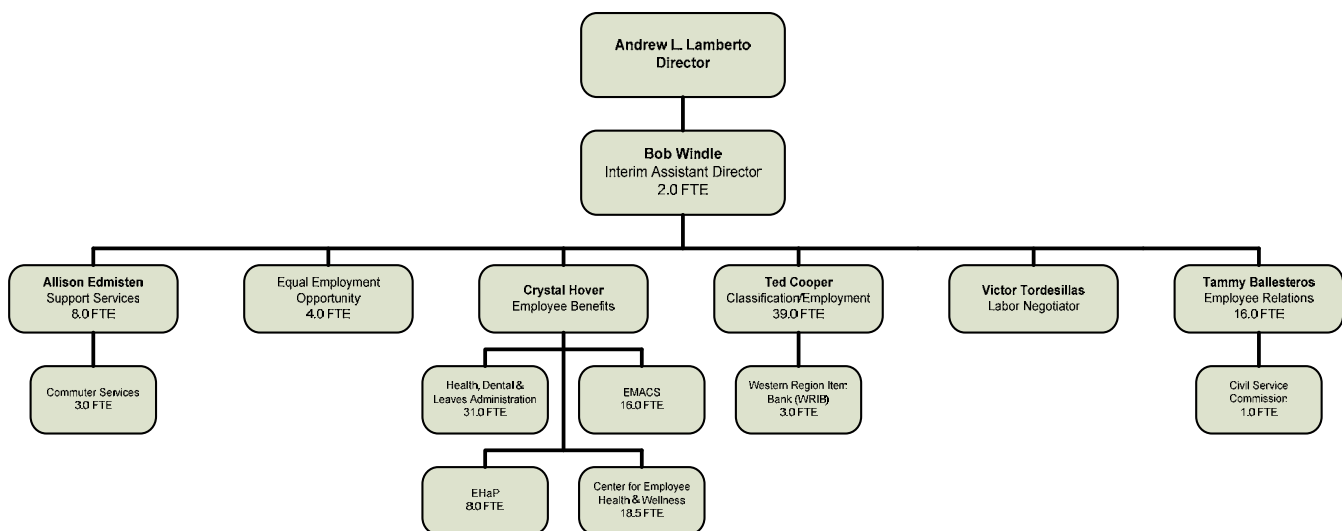
MISSION STATEMENT

The Human Resources Department is committed to providing effective customer service to all departments, employees, and constituents of the County of San Bernardino, through the timely delivery of innovative, quality human resources systems, programs, and services.

STRATEGIC GOALS

1. Assist county departments in attracting and retaining highly qualified staff.
2. Increase and improve delivery of Human Resources services to customers.

ORGANIZATIONAL CHART



SUMMARY OF BUDGET UNITS

	2007-08				
	Appropriation	Revenue	Local Cost	Fund Balance	Staffing
<u>General Fund</u>					
Human Resources	7,491,561	373,794	7,117,767		103.0
The Center for Employee Health and Wellness	1,048,542	732,542	316,000		18.5
Unemployment Insurance	4,000,500	-	4,000,500		-
Total General Fund	12,540,603	1,106,336	11,434,267		121.5
<u>Special Revenue Funds</u>					
Commuter Services	1,188,838	505,000		683,838	3.0
Employee Benefits and Services	4,018,529	2,600,108		1,418,421	32.0
Total Special Revenue Funds	5,207,367	3,105,108		2,102,259	35.0
Total - All Funds	17,747,970	4,211,444	11,434,267	2,102,259	156.5

Detailed information for each budget unit follows, along with a description of the services provided, budget unit history, and applicable performance measures.



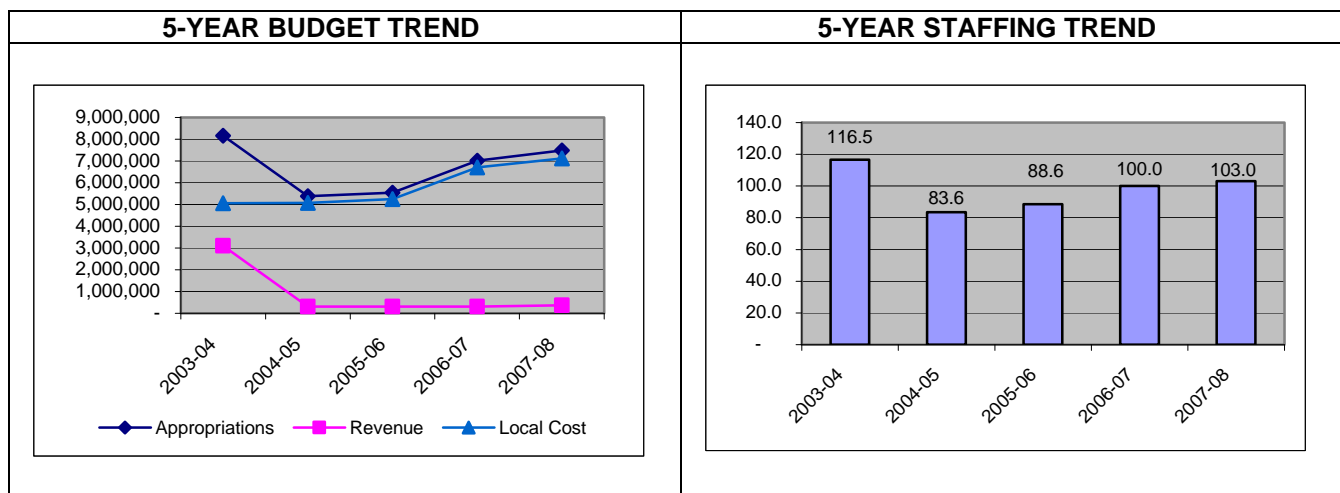
Human Resources

DESCRIPTION OF MAJOR SERVICES

The Human Resources Department administers the County's human resources programs. This includes the responsibility for recruitment, employment testing, and certification of eligible candidates; establishment and maintenance of classification and compensation systems and practices; employee relations; employee benefits; systems and program administration for a portion of the Employee Management and Compensation System (EMACS); the Equal Employment Opportunity Office; and the Commission on the Status of Women. Human Resources also shares responsibility, through a partnership with Human Services, for countywide organizational and employee development.

In addition, the department is responsible for the management of the Western Region Item Bank (WRIB), a cooperative, computer-based test question bank used by 167 public agencies to develop employment tests. Each WRIB participating agency pays an annual fee.

BUDGET HISTORY



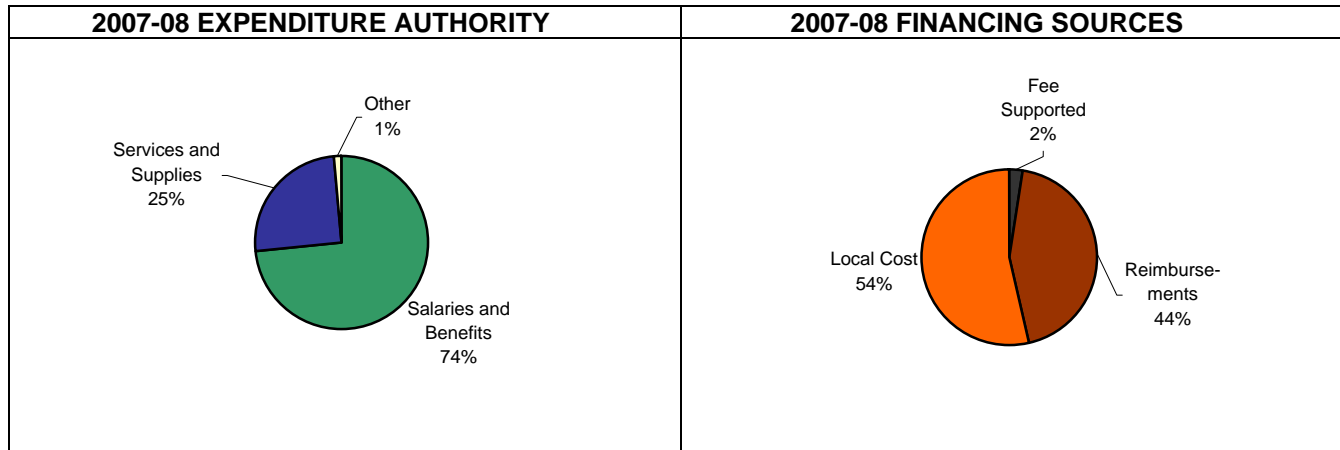
PERFORMANCE HISTORY

	2003-04 Actual	2004-05 Actual	2005-06 Actual	2006-07 Modified Budget	2006-07 Actual
Appropriation	7,667,407	5,232,190	6,248,060	7,261,155	7,548,503
Departmental Revenue	2,389,911	225,313	274,495	553,615	667,883
Local Cost	5,277,496	5,006,877	5,973,565	6,707,540	6,880,620
Budgeted Staffing				100.0	

In 2006-07, appropriation and revenue is higher than modified budget due to the collection of advertising reimbursements as revenue, and the under-collection of budgeted salary and benefit reimbursements based on actual time studies. This budget unit required additional general fund financing at year end.



ANALYSIS OF FINAL BUDGET



GROUP: Administrative/Executive
DEPARTMENT: Human Resources
FUND: General

BUDGET UNIT: AAA HRD
FUNCTION: General
ACTIVITY: Personnel

	2003-04 Actual	2004-05 Actual	2005-06 Actual	2006-07 Actual	2006-07 Final Budget	2007-08 Final Budget	Change From 2006-07 Final Budget
Appropriation							
Salaries and Benefits	7,357,762	5,989,437	7,123,465	8,446,772	8,891,963	9,760,353	868,390
Services and Supplies	3,376,202	2,746,829	2,901,975	3,503,263	3,168,933	3,239,350	70,417
Central Computer	106,156	129,093	148,560	145,325	145,325	140,966	(4,359)
Transfers	183,608	49,975	26,888	182,923	134,077	179,513	45,436
Total Exp Authority	11,023,728	8,915,334	10,200,888	12,278,283	12,340,298	13,320,182	979,884
Reimbursements	(3,356,321)	(3,683,144)	(3,952,828)	(4,729,780)	(5,330,258)	(5,828,621)	(498,363)
Total Appropriation	7,667,407	5,232,190	6,248,060	7,548,503	7,010,040	7,491,561	481,521
Departmental Revenue							
Current Services	292,380	(3,969,749)	274,495	605,530	262,500	321,300	58,800
Other Revenue	-	4,195,062	-	48,199	40,000	52,494	12,494
Total Revenue	292,380	225,313	274,495	667,883	302,500	373,794	71,294
Operating Transfers In	2,097,531	-	-	-	-	-	-
Total Financing Sources	2,389,911	225,313	274,495	667,883	302,500	373,794	71,294
Local Cost	5,277,496	5,006,877	5,973,565	6,880,620	6,707,540	7,117,767	410,227
Budgeted Staffing					100.0	103.0	3.0

Salaries and benefits of \$9,760,353 fund 103.0 positions and are increasing by \$868,390 primarily resulting from \$139,220 in expected termination benefits, an increase in workers' compensation charges, and other costs associated with MOU and retirement rate adjustments.

In addition, a departmental reorganization has resulted in the following changes:

- transfer of 3.0 fiscal positions from the Employee Benefits and Services Division including partial reimbursement;
- reclassification of a vacant Fiscal Assistant (pay range 31) to a Secretary I (pay range 35) for the Support Services Section to provide daily administrative support;
- combination of the employment recruitment, testing, and reclassification functions, resulting in an equity adjustment for the Human Resources Division Chief from (pay range 77) to (pay range 80) and the deletion of a vacant Human Resources Section Manager position (pay range 73);
- removal of the primary negotiations function from the Employee Relations Chief resulting in an equity adjustment from (pay range 85) to (pay range 80) as these duties were transferred to the Labor Negotiator;
- reclassification of a Human Resources Officer III (pay range 74) to Employee Relations Chief (pay range 80) to supervise the daily operations of the Employee Relations Division;
- reclassification of the vacant Employee Relations Chief (pay range 80) to Labor Negotiator (pay range 80), a new classification, to oversee negotiations with the 16 different bargaining units;



- reclassification of the Systems Procedures Analyst II (pay range 67) to Human Resources Analyst II (pay range 65) to manage the EMACS program;
- downgrade of a vacant Human Resources Analyst II (pay range 65) to a Systems Procedures Analyst I (pay range 63) within the EMACS program;
- downgrade of a vacant Human Resources Analyst I (pay range 58) to a Personnel Technician (pay range 41) for the WRIB program; and
- addition of 1.0 Human Resources Officer II position for Human Services, which will be fully reimbursed.

Services and supplies of \$3,239,350 include MOU training funds, office expenses, advertising expenses, and contracts for professional services. The \$70,417 increase is the result of anticipated increases in systems development and computer software costs.

Transfers of \$179,513 represent County Counsel and Facilities Management charges. The \$45,436 increase results primarily from the GASB 34 requirement to recognize Facilities Management charges as transfers rather than expenditures, and slight increases in County Counsel and Suggestion Award program costs.

Reimbursements of \$5,828,621 reflect reimbursements from other departments for employee relations, the Employee Health and Productivity program, the Employee Assistance Program, and advertising charges. Reimbursement for administrative costs from the Center for Employee Health and Wellness and the Employee Benefits and Services Division are also included. The \$498,363 increase is the result of advertising expenses being represented as reimbursements rather than revenue.

Current services revenue of \$321,300 represents Western Region Item Bank (WRIB) memberships. This is a \$58,800 increase over last year resulting from marketing efforts.

PERFORMANCE MEASURES			
Description of Performance Measure	2006-07 Projected	2006-07 Actual	2007-08 Projected
Percentage of qualified applicants (i.e. those who meet the minimum requirements).	69%	66%	70%
Percentage increase of WRIB members (164 members in 2005-06).	5%	0%	5%
Percentage decrease in written exams.	New	New	10%
Percentage of accuracy in processing payroll documents.	85%	N/A	90%
Percentage increase of contacts made due to marketing efforts (15,000 in 2006-07).	New	New	15%

Human Resources realizes that the competition to recruit and hire highly qualified applicants continues to increase. The department has taken an aggressive approach at seeking out contacts at job fairs, schools/universities, and other functions. The department also implemented Neogov, a new online employment application system. As a result of this system, the number of online applications received has increased by 15%. Due to this increase, the actual percentage of qualified applicants was three percentage points below the projection. With the ease of use, the department views the Neogov system as a means of increasing the overall qualified applicant pool, thus helping the department reach its projected goal of 70% this year.

In addition, the department received \$63,000 to market the benefits of WRIB membership. Despite efforts to ensure WRIB had higher visibility with public agencies, the number of memberships remained the same due to some smaller agencies not renewing for financial reasons. Remaining funding in the amount of \$60,560 was carried over to 2007-08 to continue marketing the WRIB program.



The department has had an increasing concern regarding the number of applicants lost resulting from lengthy evaluation processes and the inability to make job offers in a timely manner. Human Resources is continually meeting with departments to evaluate the need for written examinations and to develop alternative means of assessing applicants where warranted. By decreasing the number of written exams, the department will be able to generate a list of qualified applicants in a shorter time, resulting in more expedient job offers.

The performance measure relating to accuracy in processing payroll documents is currently unavailable due to insufficient data.

In 2006-07, the Human Resources department received additional general fund financing in the amount of \$200,000 to market the county as an "Employer of Choice". To date a new logo has been developed, the website is being updated, and the department has attended several public relations events. Remaining funding in the amount of \$145,507 was carried over to 2007-08 to continue this campaign.

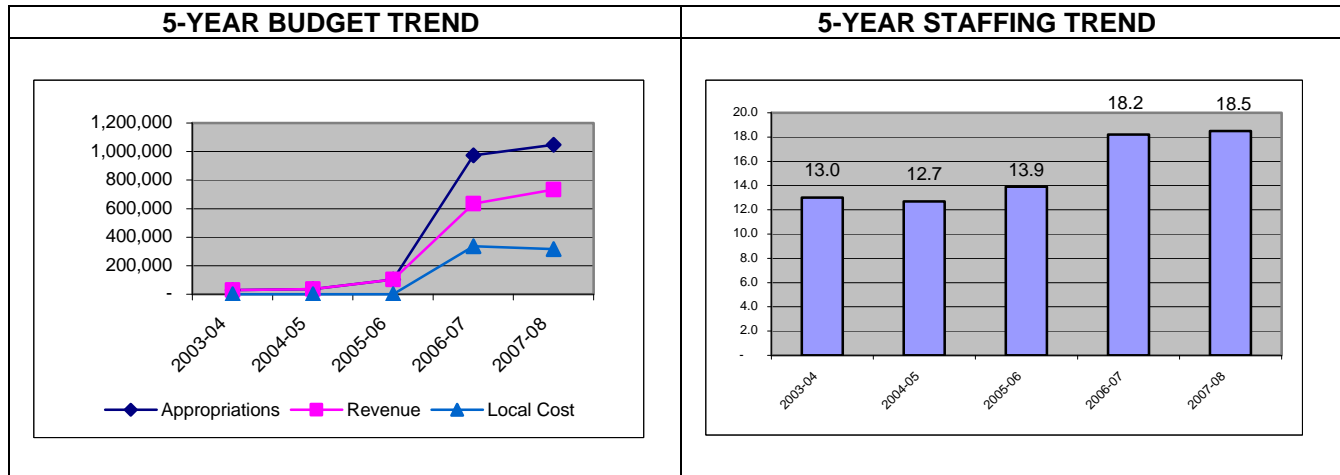


The Center for Employee Health and Wellness

DESCRIPTION OF MAJOR SERVICES

The Center for Employee Health and Wellness (CEHW) is part of the Employee Benefits and Services Division. The CEHW is responsible for employee and applicant pre-placement and in-service medical examinations, medical records, representing the county in hearings before the Civil Service Commission regarding appeals of medical findings, and advising the county's management on compliance with Occupational Safety and Health Administration (OSHA) regulations and occupational medical problems.

BUDGET HISTORY



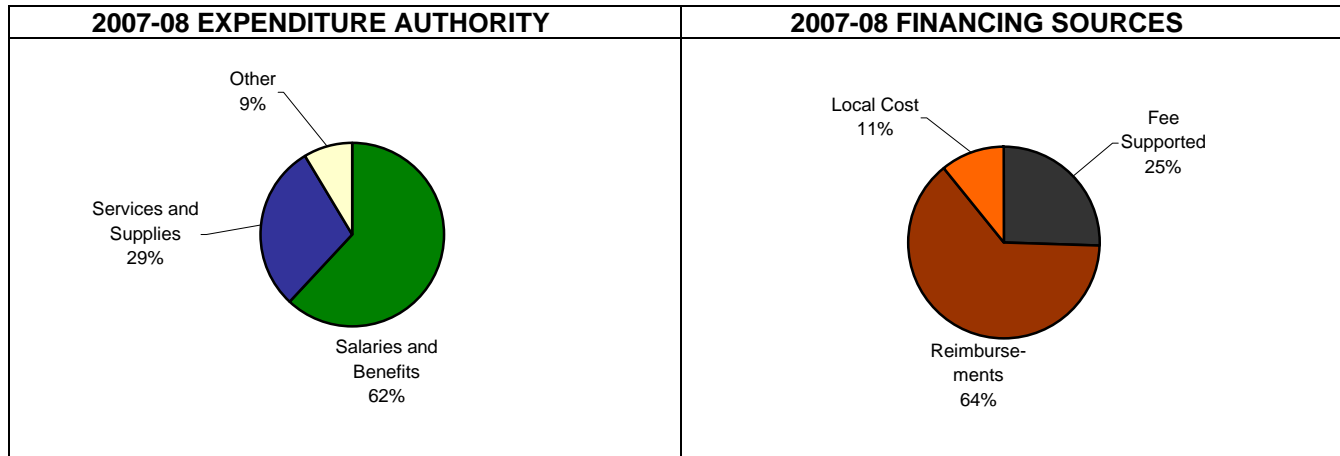
PERFORMANCE HISTORY

	2003-04 Actual	2004-05 Actual	2005-06 Actual	2006-07 Modified Budget	2006-07 Actual
Appropriation	(15,337)	59,730	(69,471)	972,404	366,072
Departmental Revenue	37,616	74,214	80,490	635,404	448,418
Local Cost	(52,953)	(14,484)	(149,961)	337,000	(82,346)
Budgeted Staffing				18.2	

In 2006-07, appropriation and revenue is lower than modified budget due to the delayed opening of the High Desert location. The department expects this clinic to be fully operational by October 2007.



ANALYSIS OF FINAL BUDGET



GROUP: Administrative/Executive
 DEPARTMENT: Human Resources - Employee Health and Wellness
 FUND: General

BUDGET UNIT: AAA OCH
 FUNCTION: General
 ACTIVITY: Personnel

	2003-04 Actual	2004-05 Actual	2005-06 Actual	2006-07 Actual	2006-07 Final Budget	2007-08 Final Budget	Change From 2006-07 Final Budget
Appropriation							
Salaries and Benefits	852,643	996,466	1,062,708	1,250,305	1,830,772	1,784,656	(46,116)
Services and Supplies	151,115	271,362	223,397	692,444	680,770	833,913	153,143
Central Computer	7,249	8,020	9,865	12,642	12,642	11,620	(1,022)
Equipment	-	-	-	7,367	-	-	-
Transfers	168,836	108,882	37,565	3,565	47,266	250,553	203,287
Total Exp Authority	1,179,843	1,384,730	1,333,535	1,966,323	2,571,450	2,880,742	309,292
Reimbursements	(1,195,180)	(1,325,000)	(1,403,006)	(1,600,251)	(1,599,046)	(1,832,200)	(233,154)
Total Appropriation	(15,337)	59,730	(69,471)	366,072	972,404	1,048,542	76,138
Departmental Revenue							
Current Services	37,616	74,214	80,490	448,418	635,404	732,542	97,138
Total Revenue	37,616	74,214	80,490	448,418	635,404	732,542	97,138
Local Cost	(52,953)	(14,484)	(149,961)	(82,346)	337,000	316,000	(21,000)
Budgeted Staffing					18.2	18.5	0.3

Salaries and benefits of \$1,784,656 fund 18.5 positions, increasing a Contract Nurse Practitioner from 0.2 to 0.5 budgeted staffing over last year. Costs have decreased by \$46,116 primarily due to a \$38,911 reduction in workers' compensation charges and other rate adjustments.

Services and supplies of \$833,913 include the cost to provide medical exams and other health related services. Costs have increased by \$153,143 over last year primarily due to the opening of the High Desert location and now providing services at both the Colton and High Desert locations. These costs will be directly offset by an increase in revenue.

Transfers of \$250,553 are for administrative support from Human Resources, Employee Benefits and Services, and lease costs for the High Desert facility which were not included in the 2006-07 budget.

Reimbursements of \$1,832,200 are based on budgeted staffing and are collected from all county departments to fund the CEHW programs. The \$233,154 increase is the result of an approved rate change.

Departmental revenue of \$732,542 includes revenue for fee based services such as physical examinations and vaccinations. The \$97,138 increase is the result of approved fee adjustments to recover the actual costs of providing services.



PERFORMANCE MEASURES			
Description of Performance Measure	2006-07 Projected	2006-07 Actual	2007-08 Projected
Percentage of county employees working in the High Desert treated by the Center for Employee Health and Wellness.	25%	0%	50%

Human Resources is in the final phases of remodeling a leased facility to house the High Desert CEHW clinic. The process to secure a location and obtain permits and approvals took longer than anticipated. Therefore, the department did not meet its 2006-07 performance measure.



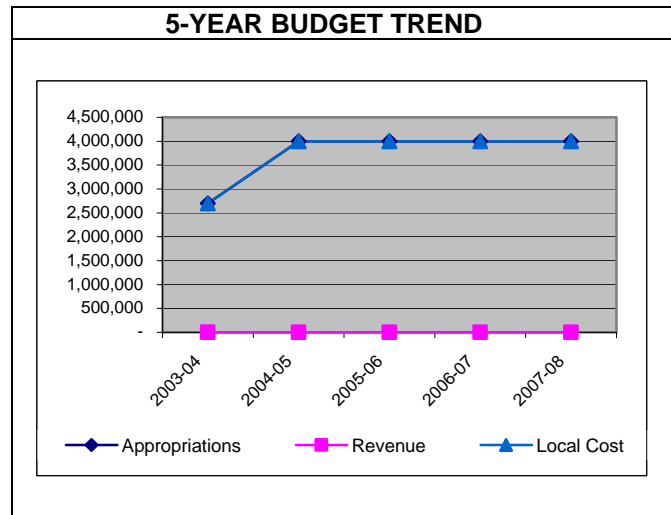
Unemployment Insurance

DESCRIPTION OF MAJOR SERVICES

This is a mandated program based upon a 1978 amendment to the California Unemployment Insurance Code extending unemployment insurance benefits to all public employees. Management's objective for the program is cost containment. Unemployment insurance claims filed by former county employees are monitored, reviewed for eligibility, and challenged when appropriate to prevent abuse of the program.

There is no staffing associated with this budget unit.

BUDGET HISTORY



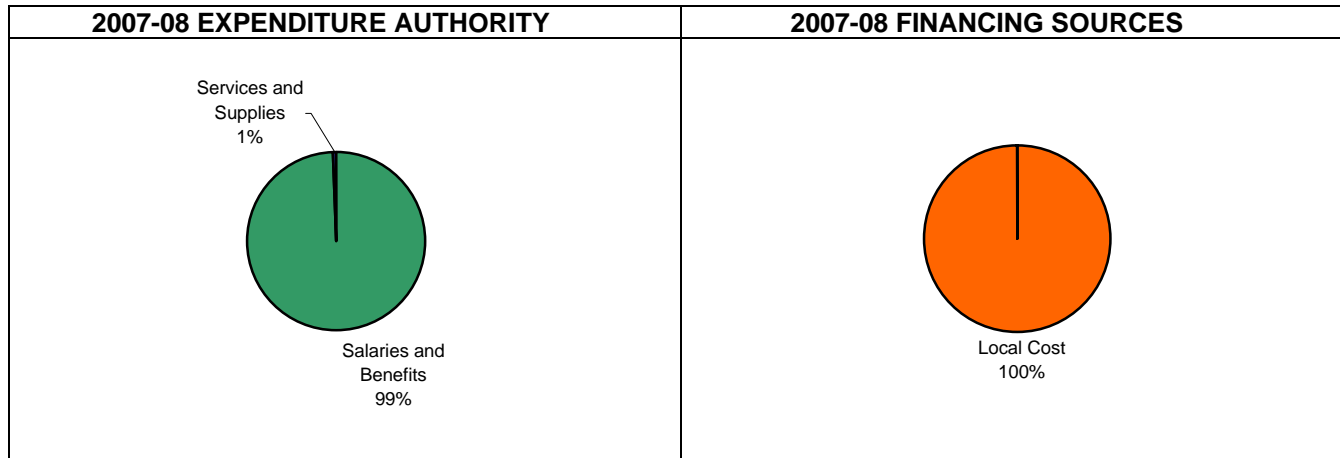
PERFORMANCE HISTORY

	2003-04 Actual	2004-05 Actual	2005-06 Actual	2006-07 Modified Budget	2006-07 Actual
Appropriation	3,694,366	3,199,827	2,942,702	4,000,000	2,872,222
Departmental Revenue	-	-	-	-	-
Local Cost	3,694,366	3,199,827	2,942,702	4,000,000	2,872,222

Appropriation in 2006-07 is less than modified budget due to reduced program costs resulting from a more aggressive approach by the county in pursuing protestable claims.



ANALYSIS OF FINAL BUDGET



GROUP: Administrative/Executive
DEPARTMENT: Human Resources - Unemployment Insurance
FUND: General

BUDGET UNIT: AAA UNI
FUNCTION: General
ACTIVITY: Personnel

	2003-04 Actual	2004-05 Actual	2005-06 Actual	2006-07 Actual	2006-07 Final Budget	2007-08 Final Budget	Change From 2006-07 Final Budget
Appropriation							
Salaries and Benefits	3,632,866	3,138,327	2,876,202	2,809,847	3,925,000	3,959,100	34,100
Services and Supplies	11,500	11,500	16,500	12,375	25,000	25,000	-
Transfers	50,000	50,000	50,000	50,000	50,000	16,400	(33,600)
Total Appropriation	3,694,366	3,199,827	2,942,702	2,872,222	4,000,000	4,000,500	500
Local Cost	3,694,366	3,199,827	2,942,702	2,872,222	4,000,000	4,000,500	500

Salaries and benefits of \$3,959,100 represent anticipated unemployment claims to be paid during 2007-08. Due to the reorganization of the Human Resources Department, this budget unit will realize a decrease in administrative charges owed to the Employee Benefits and Services division. Therefore, the transfers for 2007-08 have decreased and the difference was moved to salaries and benefits to pay for potential claims.

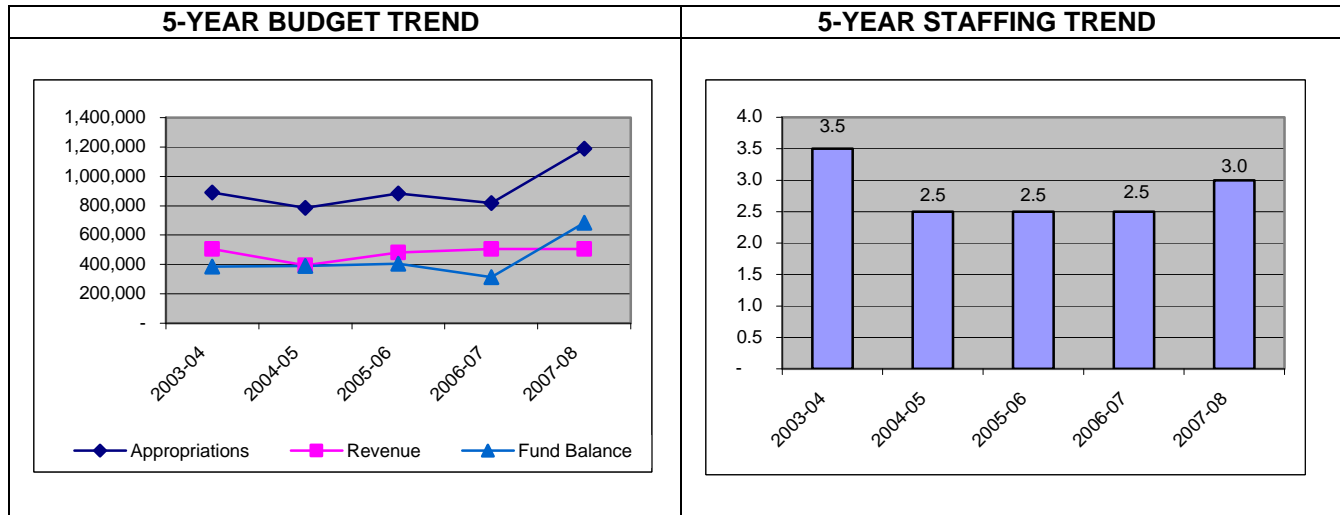


Commuter Services

DESCRIPTION OF MAJOR SERVICES

The Commuter Services fund was established to account for funds received under AB 2766 to finance mobile source air pollution reduction programs. AB 2766 authorizes air pollution control districts to levy fees on motor vehicles to be used to reduce air pollution. Under this program, the Department of Motor Vehicles collects fees and remits amounts to the appropriate Air Quality Management District (AQMD) for vehicles registered within the district. This fund receives AB 2766 funding from both the South Coast Air Quality Management District (SCAQMD) and the Mojave Desert Air Quality Management District (MDAQMD).

BUDGET HISTORY



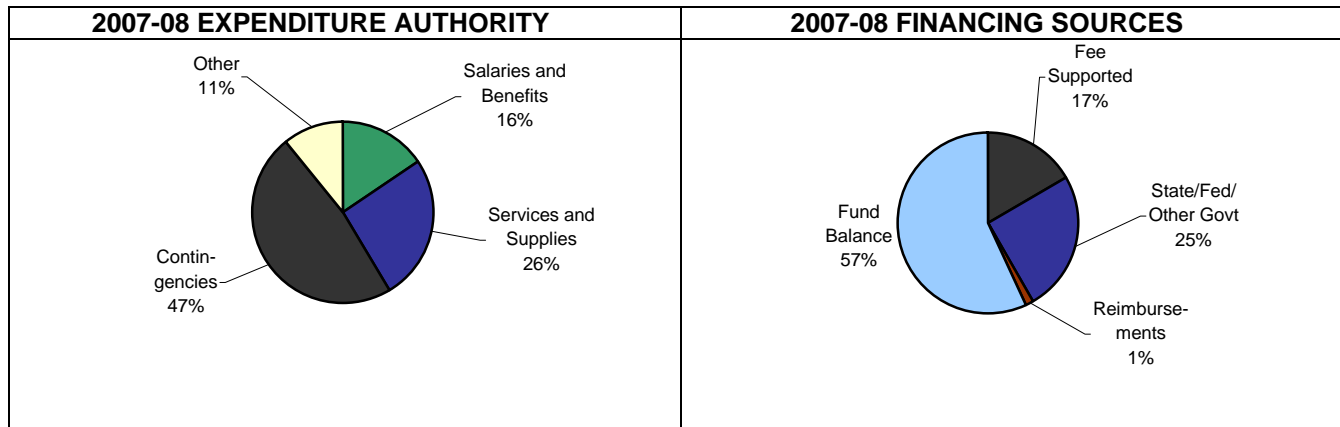
PERFORMANCE HISTORY

	2003-04 Actual	2004-05 Actual	2005-06 Actual	2006-07 Modified Budget	2006-07 Actual
Appropriation	440,299	492,575	480,502	819,594	273,661
Departmental Revenue	445,726	506,086	391,122	505,000	642,905
Fund Balance				314,594	
Budgeted Staffing				2.5	

In accordance with Section 29009 of the California Government Code, the entire unreserved fund balance must be appropriated each year. Accordingly, expenditures in this budget unit are typically less than budget. The amount not expended in 2006-07 has been re-appropriated in the 2007-08 budget.



ANALYSIS OF FINAL BUDGET



GROUP: Administrative/Executive
 DEPARTMENT: Human Resources
 FUND: Commuter Services

BUDGET UNIT: SDF HRD
 FUNCTION: General
 ACTIVITY: Personnel

	2003-04 Actual	2004-05 Actual	2005-06 Actual	2006-07 Actual	2006-07 Final Budget	2007-08 Final Budget	Change From 2006-07 Final Budget
Appropriation							
Salaries and Benefits	249,382	135,224	123,049	137,532	151,750	188,358	36,608
Services and Supplies	170,224	226,684	265,419	277,157	292,093	307,050	14,957
Central Computer	-	-	-	2,574	3,370	2,688	(682)
Vehicles	-	-	59,828	-	-	90,000	90,000
Transfers	20,693	130,667	42,206	16,598	91,741	40,479	(51,262)
Contingencies	-	-	-	-	290,640	576,563	285,923
Total Exp Authority	440,299	492,575	490,502	433,861	829,594	1,205,138	375,544
Reimbursements	-	-	(10,000)	(160,200)	(10,000)	(16,300)	(6,300)
Total Appropriation	440,299	492,575	480,502	273,661	819,594	1,188,838	369,244
Departmental Revenue							
Use of Money and Prop	6,437	6,442	10,124	16,302	5,000	5,000	-
State, Fed or Gov't Aid	380,083	310,879	220,578	428,328	300,000	300,000	-
Current Services	59,206	168,205	180,980	198,275	200,000	200,000	-
Other Revenue	-	20,560	(20,560)	-	-	-	-
Total Revenue	445,726	506,086	391,122	642,905	505,000	505,000	-
Fund Balance					314,594	683,838	369,244
Budgeted Staffing					2.5	3.0	0.5

Salaries and benefits of \$188,358 fund 3.0 positions and are increasing by \$36,608 primarily resulting from an increase of 0.5 budgeted staffing and other costs associated with MOU and retirement rate adjustments.

Services and supplies of \$307,050 include training, office expenses, and charges for operating van pools. The \$14,957 increase reflects the expenditures for bus passes, gas cards, and the ongoing marketing campaign to increase employee participation in Commuter Services programs.

In 2007-08, Commuter Services anticipates purchasing three additional vehicles in the amount of \$90,000 for the van pool program. The current van pool fleet is at capacity and there is a waiting list of employees who are interested in ridesharing.

In addition, transfers of \$40,479 for administrative oversight have decreased by \$51,262 due to the reorganization of the Human Resources Department which resulted in several operational efficiencies. Program reimbursements of \$16,300 have increased by \$6,300 to reimburse time for the Suggestion Awards Committee.

Contingencies of \$576,563 have increased by \$285,923 based on the increase in fund balance.

Revenue of \$505,000 is from payroll deductions from employees who participate in the van pool and rideshare programs as well as funds from the Air Quality Management Districts for the Commuter Services program.

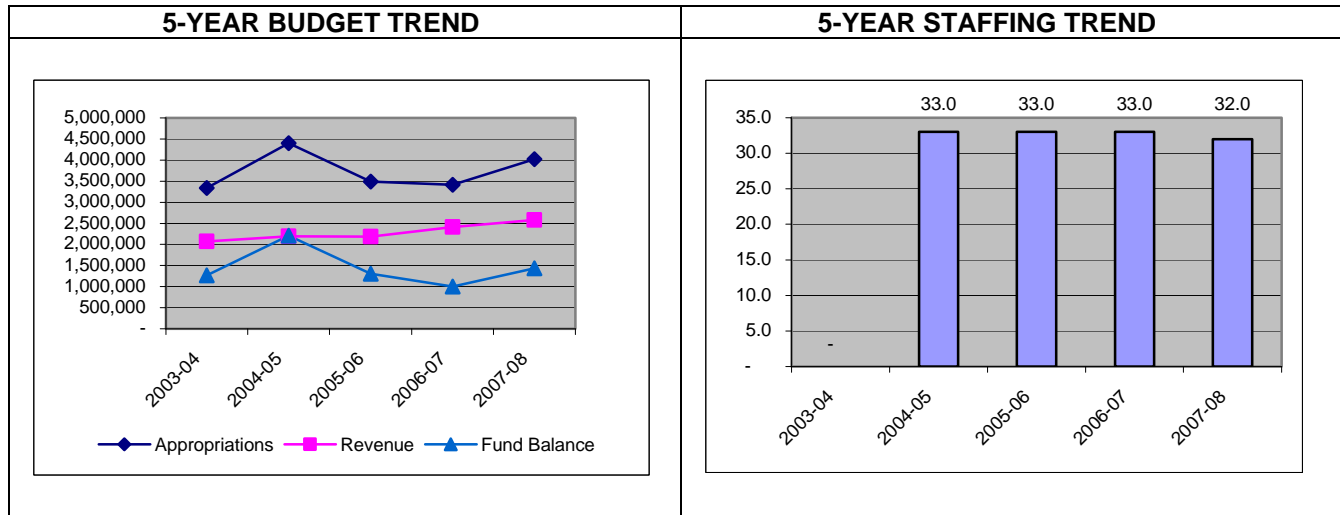


Employee Benefits and Services

DESCRIPTION OF MAJOR SERVICES

Employee Benefits and Services, under the direction of the Human Resources Department, administers the County's health, dental, vision, and life insurance plans as well as its integrated leave programs.

BUDGET HISTORY



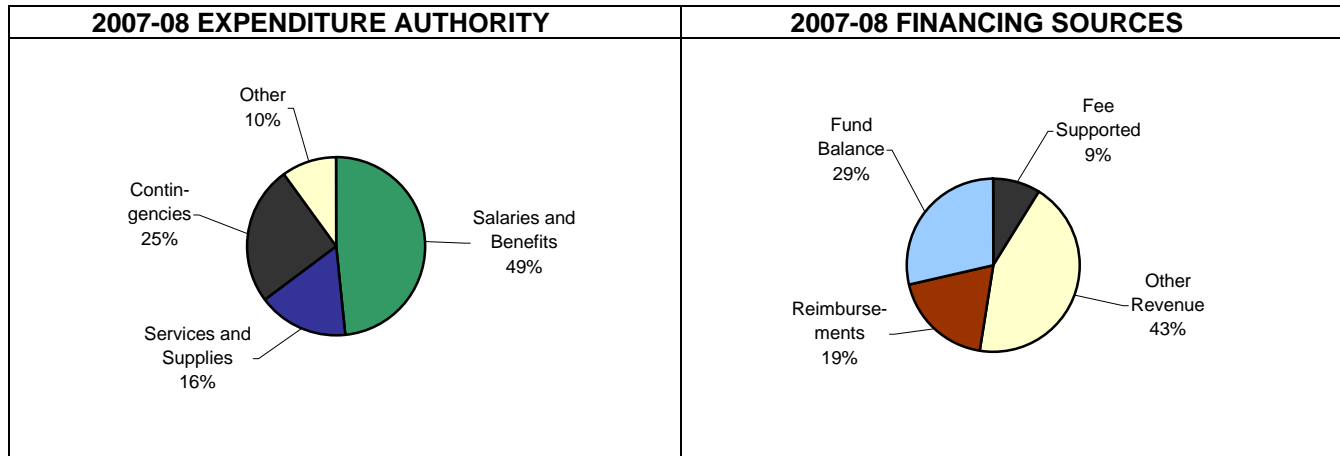
PERFORMANCE HISTORY

	2003-04 Actual	2004-05 Actual	2005-06 Actual	2006-07 Modified Budget	2006-07 Actual
Appropriation	2,097,531	2,568,858	2,438,061	3,413,873	2,149,773
Departmental Revenue	3,039,740	1,666,070	2,136,691	2,410,017	2,562,800
Fund Balance				1,003,856	
Budgeted Staffing				33.0	

In accordance with Section 29009 of the California Government Code, the entire unreserved fund balance must be appropriated each year. Accordingly, expenditures in this fund are typically less than budget. The amount not expended in 2006-07 has been re-appropriated in the 2007-08 budget.



ANALYSIS OF FINAL BUDGET



GROUP: Administrative/Executive
DEPARTMENT: Human Resources
FUND: Employee Benefits and Services

BUDGET UNIT: SDG HRD
FUNCTION: General
ACTIVITY: Personnel

	2003-04 Actual	2004-05 Actual	2005-06 Actual	2006-07 Actual	2006-07 Final Budget	2007-08 Final Budget	Change From 2006-07 Final Budget
Appropriation							
Salaries and Benefits	-	1,830,609	1,795,060	1,994,481	2,197,785	2,395,089	197,304
Services and Supplies	-	640,812	553,733	810,946	1,115,493	780,099	(335,394)
Central Computer	-	-	-	24,434	24,434	26,883	2,449
Transfers	2,097,531	182,737	174,268	269,865	313,301	498,579	185,278
Contingencies	-	-	-	-	747,860	1,256,931	509,071
Total Exp Authority	2,097,531	2,654,158	2,523,061	3,099,726	4,398,873	4,957,581	558,708
Reimbursements	-	(85,300)	(85,000)	(949,953)	(985,000)	(939,052)	45,948
Total Appropriation	2,097,531	2,568,858	2,438,061	2,149,773	3,413,873	4,018,529	604,656
Departmental Revenue							
Use of Money and Prop	95,549	48,944	40,515	39,465	10,000	30,000	20,000
Current Services	1,200,092	1,058,970	468,865	703,748	1,565,017	437,000	(1,128,017)
Other Revenue	1,744,099	475,679	1,627,311	1,819,587	835,000	2,133,108	1,298,108
Other Financing Sources	-	82,477	-	-	-	-	-
Total Revenue	3,039,740	1,666,070	2,136,691	2,562,800	2,410,017	2,600,108	190,091
Fund Balance					1,003,856	1,418,421	414,565
Budgeted Staffing					33.0	32.0	(1.0)

Salaries and benefits of \$2,395,089 fund 32.0 positions, a decrease of 1.0 position from last year. The \$197,304 increase represents costs associated with MOU and retirement rate adjustments. The staffing reduction results from a departmental reorganization to create better efficiency and increase service levels. The Employee Benefits and Services division (EBSD) implemented the following changes:

- transfer of 3.0 fiscal positions to Human Resources budget unit, with corresponding reimbursement, to align fiscal functions within the department;
- addition of 1.0 Supervising Office Specialist to supervise a unit of Office Specialists rather than having the function performed by a Human Resources Analyst;
- addition of 1.0 Human Resources Analyst II to oversee the Employee Benefits operation;
- downgrade of 2.0 vacant Human Resources Analyst Is (pay range 58) to Supervising Office Specialists (pay range 43) to supervise daily operations of Office Specialists within the unit and better align job functions with classification; and
- reclassification of 1.0 Human Resources Officer II (pay range 71) to a Human Resources Analyst III (pay range 71) to assist the Employee Benefits Chief with daily operations and strategic planning.



Services and supplies of \$780,099 include the costs for consulting services, general office expense, training, and other expenses associated with operations. The decrease of \$335,394 over last year is due to an anticipated decline in consulting services.

Transfers of \$498,579 have increased by \$185,278 to fund administrative charges and salary reimbursements due to Human Resources, County Counsel, and the Center for Employee Health and Wellness.

Contingencies of \$1,256,931 have increased by \$509,071 based on an increase in departmental revenue and fund balance.

Reimbursements of \$939,052 include the departmental recharge implemented in 2006-07 and administrative support from the Unemployment Insurance and Center for Employee Health and Wellness budget units.

Departmental revenue of \$2,600,108 represents consultant and administrative trust fund reimbursements, the ING allocation for the administration of the salary savings plan, and revenue received from the Court for provided services.

PERFORMANCE MEASURES			
Description of Performance Measure	2006-07 Projected	2006-07 Actual	2007-08 Projected
Completion rate (%) for the Health Risk Assessment (HRA).	New	13%	15%

In 2006-07, the department exceeded its estimated completion rate of 2% for Health Risk Assessments. As a result of the "My Health Matters!" initiative and the proactive approach taken by the department to foster a healthy and productive work force, the department achieved a 13% completion rate for the HRA. These efforts included adding performance measures for HRA completions to medical insurance carrier contracts; vigorous communication strategies of mass mailings, emails, and internet usage; and interactive health expos incorporating medical screenings and follow-up counseling. This personalized employee-by-employee outreach will be continued in 2007-08 to obtain the overall goal of 50% for HRA completions and for enrollment into more detailed health awareness/health management programs.



INFORMATION SERVICES

Stephen Hall

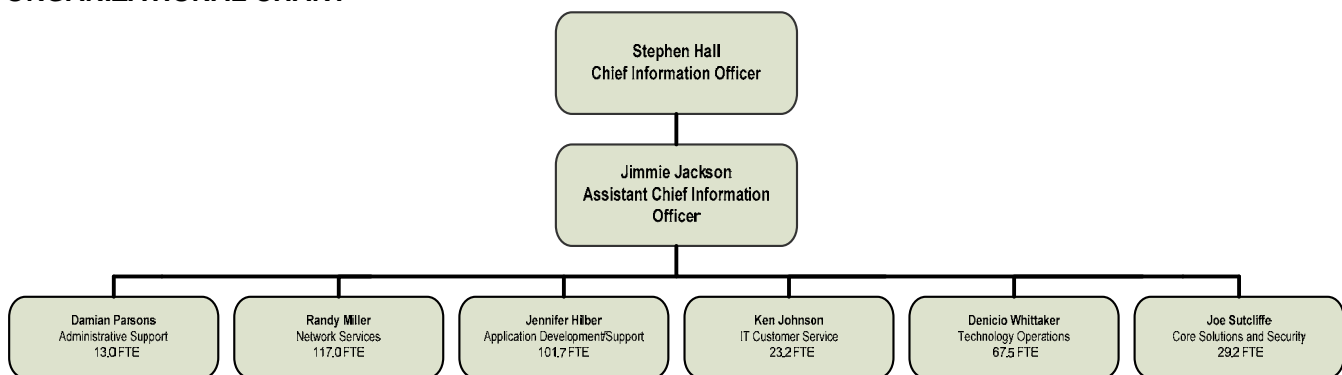
MISSION STATEMENT

The Information Services Department (ISD) provides secure, innovative, contemporary, and accessible technology in computer, media, and communication services in the most cost effective manner, to enable departments and agencies to accomplish the mission of San Bernardino County.

STRATEGIC GOALS

1. Provide technology solutions that enable customers to better serve the citizens of the county.
2. Improve customer satisfaction by delivering business products and services that exceed customer expectations.

ORGANIZATIONAL CHART



SUMMARY OF BUDGET UNITS

	2007-08				
	Operating Exp/ Appropriation	Revenue	Local Cost	Revenue Over/ (Under) Exp	Staffing
<u>General Fund</u>					
Application Development	16,791,086	4,693,984	12,097,102		107.5
Total General Fund	16,791,086	4,693,984	12,097,102		107.5
<u>Internal Service Funds</u>					
Computer Operations	19,939,665	21,610,442		1,670,777	134.1
Network Services	23,957,594	24,518,025		560,431	118.0
800 MHz - Rebanding Project	25,000	25,000		-	-
Total Internal Service Funds	43,922,259	46,153,467		2,231,208	252.1
Total - All Funds	60,713,345	50,847,451	12,097,102	2,231,208	359.6

Detailed information for each budget unit follows, along with a description of the services provided, budget unit history and applicable performance measures.

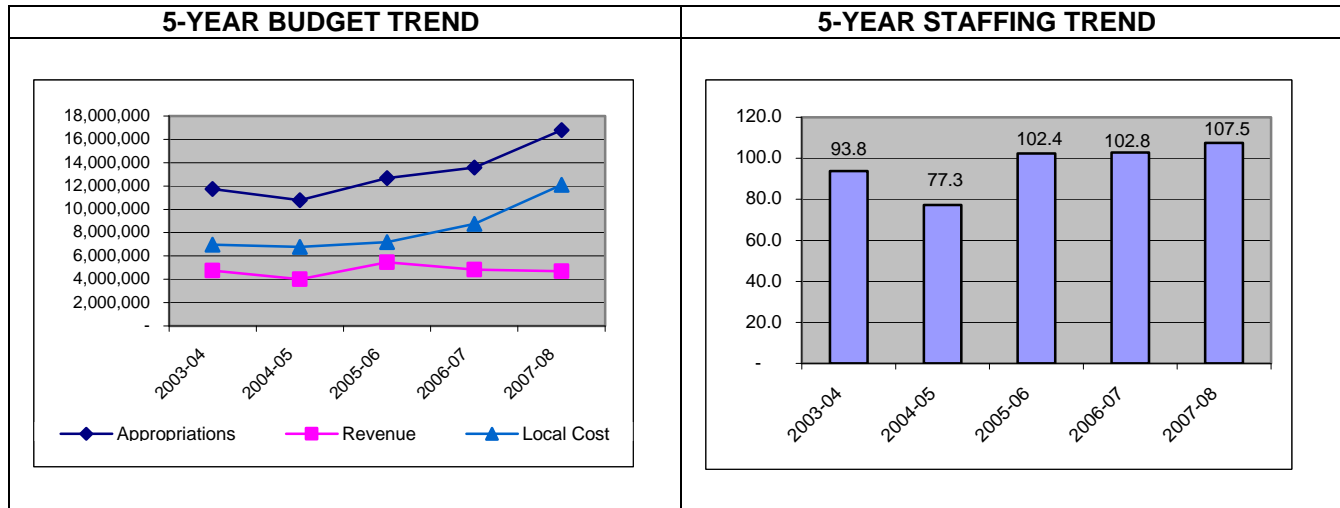


Application Development

DESCRIPTION OF MAJOR SERVICES

The Application Development and Support division provides support for county departments as they develop, enhance, and maintain business applications on a variety of hardware and software platforms. These applications include the county's enterprise accounting, payroll, budget, personnel, document imaging, public web sites, geographical information system (GIS) and many other business line systems. ISD consults with departments to identify cost effective ways of conducting business and often provides business process reviews, cost analysis, and overall recommendations in the acquisition and integration of new systems.

BUDGET HISTORY



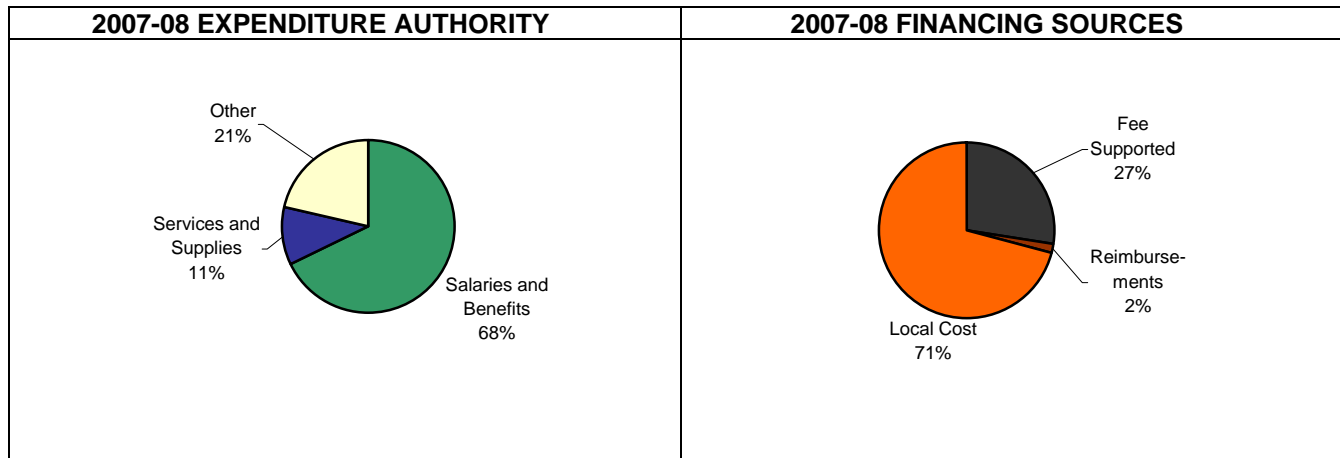
PERFORMANCE HISTORY

	2003-04 Actual	2004-05 Actual	2005-06 Actual	2006-07 Modified Budget	2006-07 Actual
Appropriation	11,238,518	11,379,978	12,049,561	13,762,649	12,539,552
Departmental Revenue	4,714,095	5,097,687	4,343,792	4,914,240	4,154,196
Local Cost	6,524,423	6,282,291	7,705,769	8,848,409	8,385,356
Budgeted Staffing				102.8	

In 2006-07, appropriation and revenue are less than modified budget as a result of vacancies resulting from difficulties in recruiting Programmer Analysts. This difficulty is a statewide trend in recruiting for government-related information technology positions. The revenue shortfall is due to reduced billable hours, directly attributable to the high vacancy factor.



ANALYSIS OF FINAL BUDGET



GROUP: Administrative/Executive
 DEPARTMENT: Information Services
 FUND: General

BUDGET UNIT: AAA SDD
 FUNCTION: General
 ACTIVITY: Other

	2003-04 Actual	2004-05 Actual	2005-06 Actual	2006-07 Actual	2006-07 Final Budget	2007-08 Final Budget	Change From 2006-07 Final Budget
Appropriation							
Salaries and Benefits	9,266,994	9,422,399	9,683,382	9,442,641	10,875,315	11,612,877	737,562
Services and Supplies	1,351,144	1,115,439	1,431,521	2,031,432	2,161,608	1,656,924	(504,684)
Central Computer	98,672	181,466	170,914	154,896	154,896	202,427	47,531
Other Charges	83	-	-	-	-	-	-
Equipment	-	-	32,852	-	-	87,500	87,500
L/P Struct/Equip/Vehicles	4,458	-	-	-	-	-	-
Transfers	517,167	660,674	730,892	1,026,583	686,470	1,107,322	420,852
Total Exp Authority	11,238,518	11,379,978	12,049,561	12,655,552	13,878,289	14,667,050	788,761
Reimbursements	-	-	-	(116,000)	(283,253)	(316,740)	(33,487)
Total Appropriation	11,238,518	11,379,978	12,049,561	12,539,552	13,595,036	14,350,310	755,274
Operating Transfers Out	-	-	-	-	-	2,440,776	2,440,776
Total Requirements	11,238,518	11,379,978	12,049,561	12,539,552	13,595,036	16,791,086	3,196,050
Departmental Revenue							
Current Services	4,714,095	5,097,687	4,343,792	4,072,196	4,832,240	4,693,984	(138,256)
Total Revenue	4,714,095	5,097,687	4,343,792	4,154,196	4,832,240	4,693,984	(138,256)
Local Cost	6,524,423	6,282,291	7,705,769	8,385,356	8,762,796	12,097,102	3,334,306
Budgeted Staffing					102.8	107.5	4.7

Salaries and benefits of \$11,612,877 fund 107.5 positions and are increasing by \$737,562 primarily resulting from the transfer of 3.7 multimedia services positions in the amount of \$322,286 from the Network Services budget unit, and the addition of 1.0 Multimedia Coordinator resulting from an approved policy item. These positions will continue to provide multimedia support to the County Government Center. The remaining increase results from other costs associated with termination benefits, MOU and retirement rate adjustments.

Services and supplies of \$1,656,924 primarily include computer software, maintenance, and support, including \$115,000 in costs for the approved Spatial Database Engine policy item; contract programming services; workstation equipment replacement; and training costs. The decrease of \$504,684 is due to a budgetary change to recognize general fund financing of 800 MHz radios as an operating transfer out. In addition, advertising and position related costs are now being reflected as transfers. This reduction is offset by increases in costs for materials and equipment for multimedia services, property insurance, software, and outside vendor programming services.

Equipment of \$87,500 results from the approved Spatial Database Engine policy item, to upgrade GIS and storage capacity to enable completion of data conversion from the existing coverage format to the latest format.



Transfers of \$1,107,322 primarily include internal administrative costs and Human Resources services. The \$420,852 increase is due to accounting for a Systems Support Analyst III and advertising costs as transfers rather than expenditures, increased multimedia services administrative staff overhead and EH&P charges.

Reimbursements of \$316,740 include \$132,000 for a Programmer III for the Auditor/Controller-Recorder, formerly recognized as revenue, and \$184,740 from Arrowhead Regional Medical Center for the ISD Health Care Services Division Chief. The \$116,000 reimbursement ISD received for the CAFM Programmer Analyst III in 2006-07 has been removed as the general fund financing for this position was provided directly to ISD, therefore, the reimbursement is no longer required.

Operating transfers out in the amount of \$2,440,776 million represent general fund financing of the 800 MHz radio program. In 2006-07, the general fund contributed approximately \$472,000 for the 800 MHz program. As a result of a Board of Supervisors approved rate increase, the general fund is now financing an additional \$1.97 million, of which \$1.56 million is ongoing funding. The general fund is financing a one-time contribution of \$408,384 for non-general fund and outside agency radio programs.

Departmental revenue of \$4,693,984 mainly consists of systems development charges and GIS programming and subscription services. The \$138,256 decrease is due to a declining need for system development services.

PERFORMANCE MEASURES			
Description of Performance Measure	2006-07 Projected	2006-07 Actual	2007-08 Projected
Percentage of backlog projects completed (40 backlog projects as of 2006-07).	New	New	10%
Percentage of customers requesting application upgrades deployed that are compatible with Windows Vista (Microsoft's latest computer operating system) and Microsoft Office 2007.	New	New	100%
Percentage of data conversion from the existing coverage format to the latest Spatial Database Engine format that has been completed.	75%	75%	100%
Percentage of Multimedia Services projects completed on time.	New	New	95%

In 2006-07, the department received additional general fund financing for the funding of one Programmer Analyst to assist with the EMACS upgrade and the backlog of projects. Due to recruiting difficulties, this position was not filled by the end of the fiscal year, and therefore did not impact the project backlog. The department met its 2006-07 performance measure to convert 75% of GIS data from the existing coverage format to the latest Spatial Database Engine format. As a result, 2007-08 performance measure was increased to 100%.

In 2007-08, a major focus will be to upgrade existing applications for Windows Vista and Office 2007 compatibility. In addition, the department received approval for a policy item to increase multi-media staffing by one position to support the Board of Supervisors in the County's endeavor to enhance multi-media services.



Computer Operations

DESCRIPTION OF MAJOR SERVICES

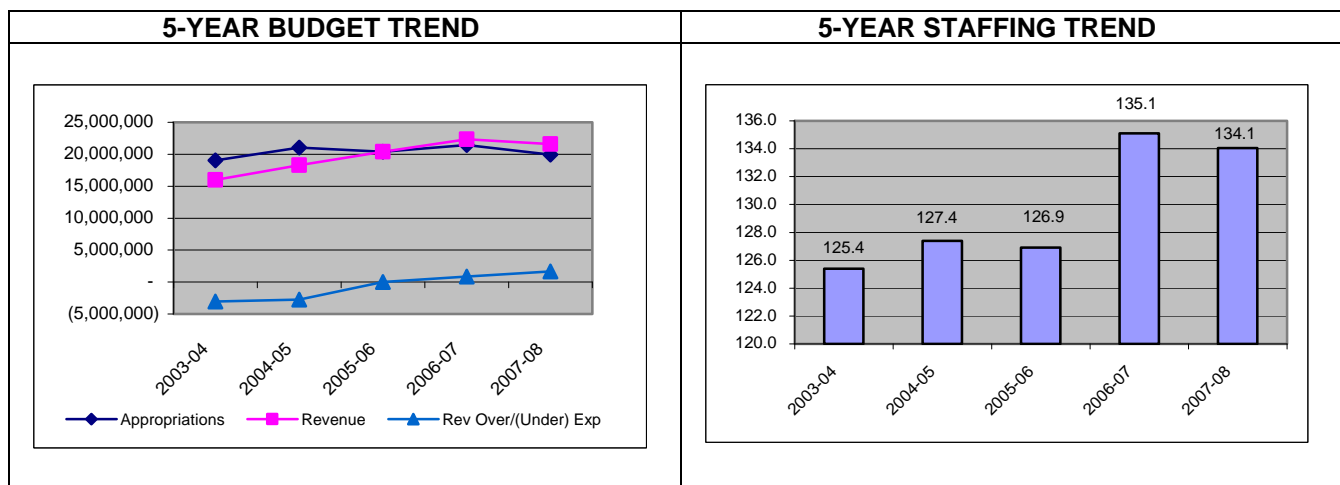
The Computer Operations division provides enterprise data center services and a portion of the county's communications services to county departments on a 24/7 basis. The division is comprised of 3 sections: Technology Operations, Information Technology (IT) Customer Service, and Core Solutions and Security. This budget unit is an internal service fund, which allows for net assets available at fiscal year end to be carried over to the next fiscal year to be used as working capital or for replacement of fixed assets.

Technology Operations provides for the design, operation, maintenance and administration of the county's Enterprise Data Center which supports the county's mainframe and includes server management for over 160 servers, integrated document imaging infrastructure for digitizing paper records, and print operations for bulk printing functions required by the county.

IT Customer Service assists departments in ensuring that their technology and business objectives are achieved. The division provides a Technology Support Center to handle service requests and problem tickets and IT Account Representatives to coordinate and assist departments in meeting their business and technology objectives.

Core Solutions and Security provides the county with global email, security direction and technology policies and procedures, along with technical services that support desktop communications and functions across the county.

BUDGET HISTORY



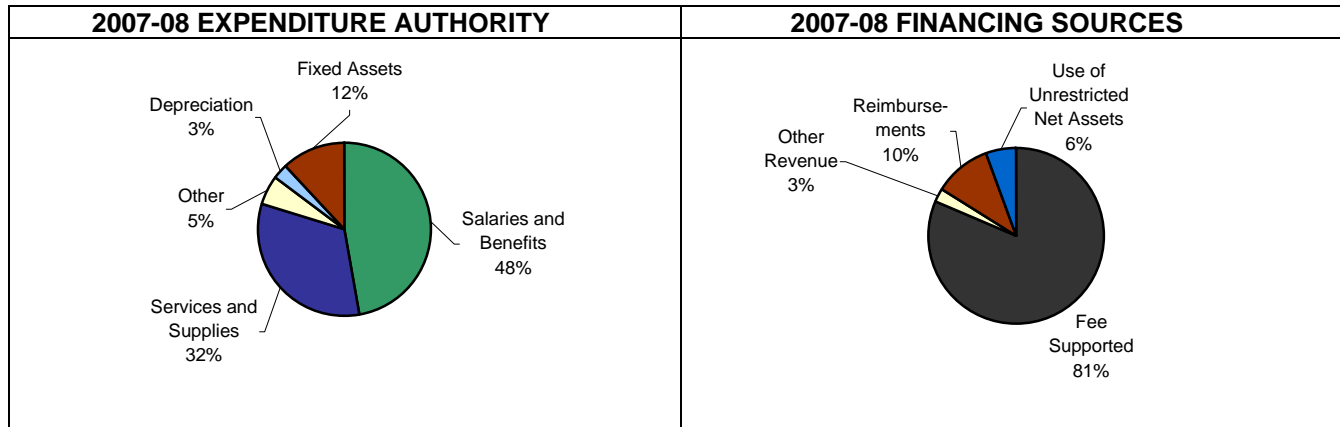
PERFORMANCE HISTORY

	2003-04 Actual	2004-05 Actual	2005-06 Actual	2006-07 Modified Budget	2006-07 Actual
Appropriation	19,490,505	22,587,930	19,831,935	21,210,935	19,683,263
Departmental Revenue	15,591,310	18,671,682	19,766,319	22,323,795	22,562,998
Revenue Over/(Under) Exp	(3,899,195)	(3,916,248)	(65,616)	1,112,860	2,879,735
Budgeted Staffing				135.1	
Fixed Assets	413,665	1,340,486	1,115,422	1,632,069	1,569,578
Unrestricted Net Assets Available at Year End	6,159,224	2,770,201	2,568,343		5,349,108

In 2006-07, appropriation was below modified budget due to difficulty in recruiting IT positions, and decreases in both the usage of outside contractors and expenditures for IT products.



ANALYSIS OF FINAL BUDGET



GROUP: Administrative/Executive
DEPARTMENT: Information Services
FUND: Computer Operations

BUDGET UNIT: IAJ ALL
FUNCTION: General
ACTIVITY: Other

	2003-04 Actual	2004-05 Actual	2005-06 Actual	2006-07 Actual	2006-07 Final Budget	2007-08 Final Budget	Change From 2006-07 Final Budget
Appropriation							
Salaries and Benefits	8,854,811	9,527,099	10,124,342	10,499,579	11,997,269	12,169,300	172,031
Services and Supplies	10,543,112	12,192,843	9,754,441	9,368,332	9,632,406	8,365,768	(1,266,638)
Other Charges	11,349	3,517	113	-	10,500	17,654	7,154
Transfers	661,085	669,463	946,239	1,044,128	1,001,684	1,375,310	373,626
Total Exp Authority	20,070,357	22,392,922	20,825,135	20,912,039	22,641,859	21,928,032	(713,827)
Reimbursements	(1,488,194)	(1,738,904)	(2,059,226)	(2,335,758)	(2,025,207)	(2,695,152)	(669,945)
Total Appropriation	18,582,163	20,654,018	18,765,909	18,576,281	20,616,652	19,232,880	(1,383,772)
Depreciation	908,342	831,094	953,991	1,106,982	848,783	706,785	(141,998)
Operating Transfers Out	-	1,102,818	112,035	-	-	-	-
Total Requirements	19,490,505	22,587,930	19,831,935	19,683,263	21,465,435	19,939,665	(1,525,770)
Departmental Revenue							
State, Fed or Gov't Aid	-	44,327	-	-	-	-	-
Current Services	15,582,972	18,294,507	19,482,196	22,562,950	22,323,795	20,925,442	(1,398,353)
Other Revenue	38	(121,280)	48,833	48	-	-	-
Other Financing Sources	8,300	454,128	-	-	-	-	-
Total Revenue	15,591,310	18,671,682	19,531,029	22,562,998	22,323,795	20,925,442	(1,398,353)
Operating Transfers In	-	-	235,290	-	-	685,000	685,000
Total Financing Sources	15,591,310	18,671,682	19,766,319	22,562,998	22,323,795	21,610,442	(713,353)
Rev Over/(Under) Exp	(3,899,195)	(3,916,248)	(65,616)	2,879,735	858,360	1,670,777	812,417
Budgeted Staffing					135.1	134.1	(1.1)
Fixed Assets							
Equipment	122,201	1,175,154	1,089,901	1,569,578	1,381,069	3,097,881	1,716,812
L/P Equipment	291,464	165,332	25,521	-	211,000	12,725	(198,275)
Total Fixed Assets	413,665	1,340,486	1,115,422	1,569,578	1,592,069	3,110,606	1,518,537

In 2007-08, the wide area network (WAN) program transferred from Computer Operations to the Network Services budget unit to better align communication related programs and management. The WAN is an integrated telecommunications network that provides connectivity to all county offices and is the gateway for non-county agencies to access county resources such as law enforcement and other government agencies.

Salaries and benefits of \$12,169,300 fund 134.1 positions and are increasing by \$172,031. This change represents increases in costs associated with MOU and retirement rate adjustments. In addition, 5.1 Wide Area Network (WAN) positions are being transferred to the Network Services budget unit to better align program services with management. This staffing and cost decrease is offset by the following staffing changes:

- the addition of 1.0 Product Specialist for wireless device and cell phone customer service;
- the addition of 1.0 System Support Analyst III for support of the GIS servers and storage;



- the transfer in of 1.0 Programmer Analyst III from the Information Services Department's (ISD) general fund budget unit for system support and analysis of the active directory and exchange server system;
- the addition of 1.0 Office Assistant II due to increased imaging workload from 2006-07;
- the reclassification of an extra help Office Assistant II to regular status to manage ongoing workload needs;
- the reclassification of an IT Account Representative I to an IT Account Representative II as the skill and responsibility needed for this position have increased.

Services and supplies of \$8,365,768 include costs for computer software, training, disaster recovery services, systems development charges, and equipment maintenance. The decrease of \$1,266,638 is primarily due to the transfer of WAN services and supplies costs to the Network Services budget unit. This decrease is offset by cost increases associated with inflation, COWCAP, risk management, general maintenance, and router replacement. Additional costs include \$80,000 for computer hardware and server related costs for the approved Disaster Recovery policy item to design and implement an off-site disaster recovery system for mission critical Intel-based platforms/applications.

Transfers of \$1,375,310 are for internal administrative allocations and Human Resources charges. The increase of \$373,626 is due to MOU and inflation increases and a \$79,571 transfer to Network Services for costs related to the new IT Operational Support System (SPOE).

Reimbursements of \$2,695,152 represent reimbursements for internal administrative costs and other position related costs from ISD's other budget units. The increase of \$669,945 includes \$330,948 for Systems Support Analysts that were previously reflected in revenue, \$56,556 for additional IT support for the Board of Supervisors, \$31,000 for the purchase of wireless infrastructure servers at the County Government Center, and other MOU and inflationary increases.

Depreciation of \$706,785 is decreasing by \$141,998 primarily due to the transfer of \$368,769 in depreciation to the Network Services budget unit for the WAN program and an increase of \$220,792 per the department's depreciation schedule.

Current service revenue of \$20,925,442 is comprised primarily of central computer revenues. The decrease of \$1,398,353 results from the transfer of approximately \$3.5 million in WAN budget revenue to the Network Services budget unit, the loss of \$463,343 in one-time revenue from Human Services for the replacement of end-of-life routers, and recognizing \$330,948 as reimbursements. This decrease is partially offset by a \$2.9 million increase resulting from rate changes approved by the Board of Supervisors on March 13, 2007.

Operating transfers in of \$685,000 represent general fund financing for the approved Disaster Recovery Policy Item.

Equipment purchases of \$3,097,881 represent \$1,013,639 for equipment replacement, \$1,079,242 for new equipment needs (detailed below), and \$605,000 for equipment resulting from the approved Disaster Recovery Policy Item. In addition, ISD is budgeting \$400,000 for unplanned customer requests to be expended only as needed and reimbursed by the requesting customer. Lease-purchase equipment costs of \$12,725 are for the back-up generator. New fixed asset purchases include:

- \$100,000 for the Z890 mainframe server;
- \$28,000 for OSA Cards;
- \$20,000 for Cisco IDS sensors;
- \$55,000 for network equipment;
- \$31,000 for government center wireless network equipment;
- \$70,000 for network application switches;
- \$50,000 for a fiber switch;
- \$100,000 for SQL 2005 infrastructure;
- \$50,000 for Team Foundation servers;
- \$111,000 for VMWare servers and \$151,000 for VMWare disk storage; and
- \$233,242 for an enterprise printer; and
- \$80,000 for GIS storage.



PERFORMANCE MEASURES			
Description of Performance Measure	2006-07 Projected	2006-07 Actual	2007-08 Projected
Complete migration of ISD user accounts to Active Directory and offer Active Directory to other county departments (315 ISD user accounts).	100%	100%	N/A
Complete migration of ISD customer departments in Active Directory to latest Microsoft Exchange environment.	50%	100%	100%
Percentage decrease of Windows physical servers (150 servers in 2005-06).	8%	13%	20%
Percentage increase of public viewing of documents stored on our infrastructure.	10%	0%	10%
Rating from random product and service satisfaction surveys.	70%	0%	75%
Rating from yearly billing satisfaction survey.	New	0%	75%
Success rate of applications deployed to production environment after review by quality assurance.	New	New	98%
Percentage of disaster recovery site completed.	New	New	100%

As part of ISD's goal to provide technology solutions that enable customers to better serve the citizens of the County, the Computer Operations Division met its 2006-07 performance measure to migrate 100% of ISD user accounts to the Active Directory and offer Active Directory to other county departments. ISD also exceeded the performance measure to migrate 50% of all ISD customer departments in Active Directory to the latest Microsoft Exchange environment. In addition, Computer Operations exceeded the estimated decrease of Windows physical servers by 5%.

The "percentage increase of public viewing of documents stored on our infrastructure" performance measure has been postponed due to the unavailability of data. Although ISD maintains the architectural design to provide public access to records from various county departments, the implementation of this accessibility has been suspended due to a delay in the determination of documentation ownership with participating departments. In addition, ISD is in the process of implementing random product service and billing satisfaction surveys.

In 2007-08, Computer Operations will implement two new performance measures: to obtain a 98% success rate for applications deployed to a production environment after review by the quality assurance unit, and to fully install and implement an offsite disaster recovery center for Intel-based computer applications.

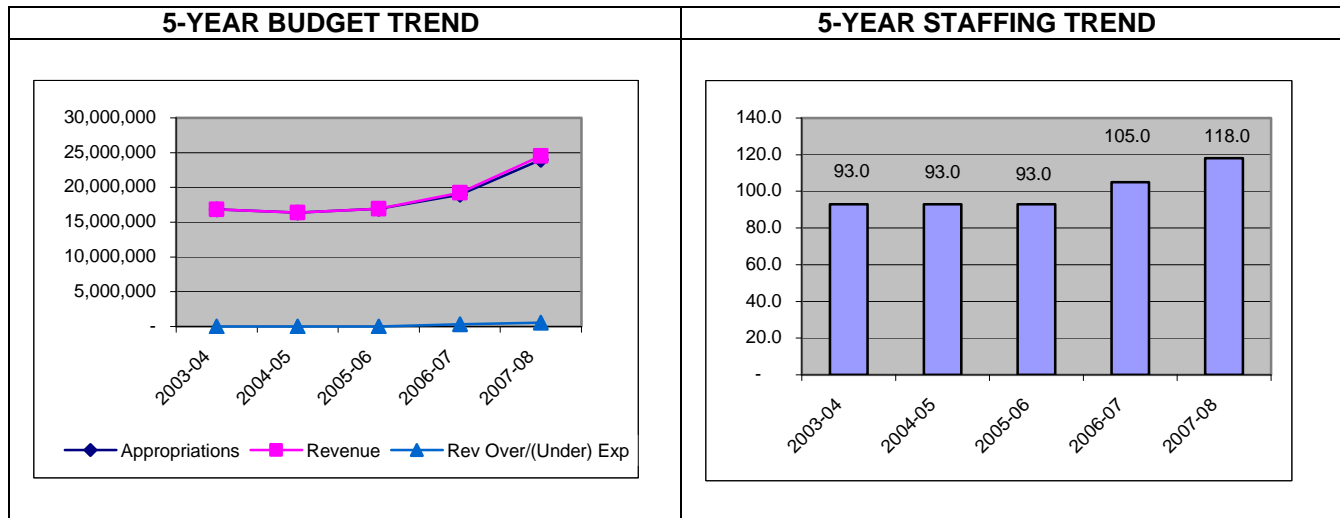


Network Services

DESCRIPTION OF MAJOR SERVICES

The Network Services division provides for the design, operation, maintenance and administration of the largest county-operated telecommunications phone network in the country; the county's Regional Public Safety Radio System that integrates all countywide sheriff, police and fire emergency radio dispatch capabilities; the paging system that consists of over 7,000 pagers; and the Wide Area Network (WAN) that securely joins approximately 18,000 county users together for the efficient use of technology. The Information Services Department (ISD) manages a countywide microwave system (64 sites) that helps provide transport capabilities for each of the individual systems listed above.

BUDGET HISTORY



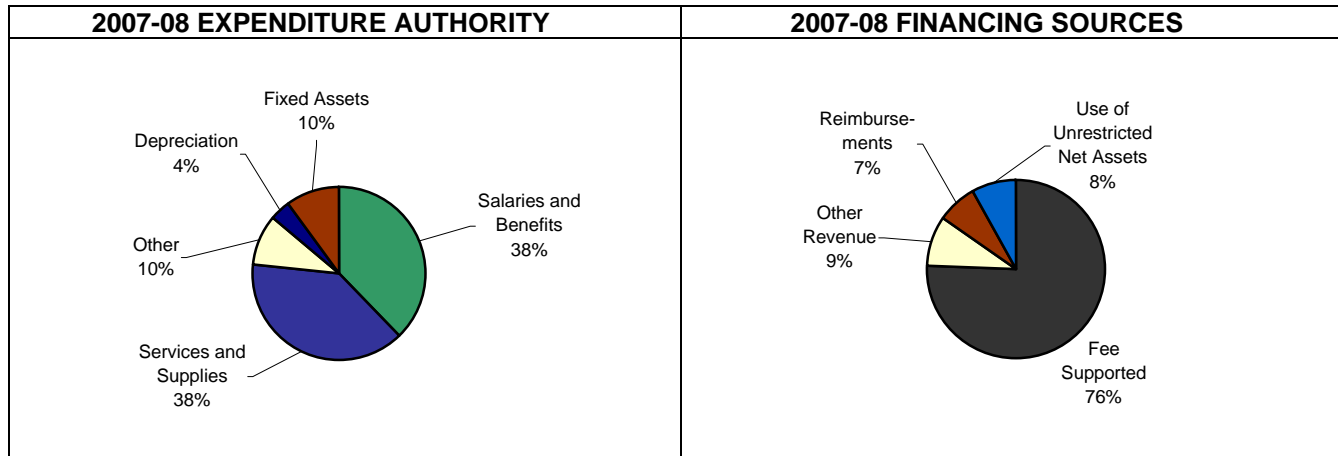
PERFORMANCE HISTORY

	2003-04 Actual	2004-05 Actual	2005-06 Actual	2006-07 Modified Budget	2006-07 Actual
Appropriation	16,247,767	17,490,016	17,033,608	19,459,219	19,377,032
Departmental Revenue	17,446,734	17,077,134	18,937,847	19,772,778	19,298,549
Revenue Over/(Under) Exp	1,198,967	(412,882)	1,904,239	313,559	(78,483)
Budgeted Staffing				105.0	
Fixed Assets	912,288	627,582	1,592,092	1,867,998	1,921,570
Unrestricted Net Assets Available at Year End	1,784,101	4,969,242	7,278,886		5,919,423

In 2006-07, total appropriation and revenue was less than modified budget due to vacant position salary savings resulting from difficulties in recruiting 800 MHz Radio Technicians and Communication Installers, and the corresponding reduction in billable hours.



ANALYSIS OF FINAL BUDGET



GROUP: Administrative/Executive
DEPARTMENT: Information Services
FUND: Network Services

BUDGET UNIT: IAM ALL
FUNCTION: General
ACTIVITY: Other General

	2003-04 Actual	2004-05 Actual	2005-06 Actual	2006-07 Actual	2006-07 Final Budget	2007-08 Final Budget	Change From 2006-07 Final Budget
Appropriation							
Salaries and Benefits	6,669,020	7,497,144	7,564,905	8,558,782	9,379,449	10,930,034	1,550,585
Services and Supplies	7,256,728	7,681,519	8,375,805	9,453,580	8,238,214	11,112,207	2,873,993
Central Computer	38,616	49,040	58,296	63,274	67,487	81,084	13,597
Other Charges	27,371	6,043	370	-	-	-	-
Transfers	2,964,326	1,715,756	1,819,285	2,375,860	2,409,164	2,646,216	237,052
Total Exp Authority	16,956,061	16,949,502	17,818,662	20,451,496	20,094,314	24,769,541	4,675,227
Reimbursements	(2,459,489)	(1,233,251)	(1,328,090)	(1,847,679)	(1,779,653)	(2,059,013)	(279,360)
Total Appropriation	14,496,572	15,716,251	16,490,572	18,603,817	18,314,661	22,710,528	4,395,867
Depreciation	1,751,195	766,865	543,036	773,215	629,271	1,147,066	517,795
Operating Transfers Out	-	1,006,900	-	-	-	100,000	100,000
Total Requirements	16,247,767	17,490,016	17,033,608	19,377,032	18,943,932	23,957,594	5,013,662
Departmental Revenue							
Fines and Forfeitures	-	1,455	-	-	-	-	-
Use of Money and Prop	110	15	47,823	(22,460)	-	30,000	30,000
Current Services	17,446,624	17,039,043	18,847,360	19,303,150	19,244,491	21,830,215	2,585,724
Other Revenue	-	18,073	42,663	17,859	-	-	-
Other Financing Sources	-	18,548	-	-	-	-	-
Total Revenue	17,446,734	17,077,134	18,937,847	19,298,549	19,244,491	21,860,215	2,615,724
Operating Transfers In	-	-	-	-	-	2,657,810	2,657,810
Total Financing Sources	17,446,734	17,077,134	18,937,847	19,298,549	19,244,491	24,518,025	5,273,534
Rev Over/(Under) Exp	1,198,967	(412,882)	1,904,239	(78,483)	300,559	560,431	259,872
Budgeted Staffing					105.0	118.0	13.0
Fixed Assets							
Land	-	-	-	-	-	200,000	200,000
Equipment	218,100	317,393	1,547,480	1,921,570	1,854,998	2,645,492	790,494
Vehicles	-	-	-	-	-	40,000	40,000
L/P Equipment	694,188	310,189	44,612	-	-	-	-
Total Fixed Assets	912,288	627,582	1,592,092	1,921,570	1,854,998	2,885,492	1,030,494

Salaries and benefits of \$10,930,034 fund 118.0 positions and are increasing by \$1,550,585, primarily resulting from the transfer of 5.1 Wide Area Network (WAN) positions from the Computer Operations budget unit to better align program services and management. Other staffing increases include the addition of:

- 2.5 Communications Technician IIs for time and material communication installation.
- 1.3 Communication Installer due to increased service demand by the Sheriffs Department.
- 1.0 Equipment Parts Supervisor to oversee the parts warehouse function.
- 1.0 Network Control Supervisor to supervise work center functions.



- 1.0 Network Analyst to support increased workload.
- 1.0 Systems Support Analyst III to support the WAN program, funded through rates.
- 2.2 Communications Technician Is to support the radio system, funded through rates.
- 1.0 Staff Analyst II to assist in the administration of radio related services.

The department also includes the reclassification of the following positions:

- A Help Desk Technician II (pay range 42) to an IT Technical Assistant II (pay range 42) to realign job title with function.
- A vacant Office Assistant II (pay range 27) to a Fiscal Specialist (pay range 35) due to a change in job duties and requirements.
- A Communications Technician II (pay range 51) to a Communications Technician III (pay range 54) due to the higher level of skill and responsibility needed to perform the duties of this position.

These increases are offset by the transfer of 2.1 Multimedia Coordinators and 1.0 Network Services Supervisor to the ISD general fund budget unit to support the multimedia program at the County Government Center. Additional salaries and benefit increases include \$97,336 in expected termination benefits, and costs associated with MOU and retirement rate adjustments.

Services and supplies of \$11,112,207 primarily fund telephone and communications related costs and services, and are increasing by \$2,873,993 as a result of the transfer of the WAN function from Computer Operations. Other increases are due to software, insurance, training, vehicle related costs, and inflation for material and equipment purchases. In addition, an increase of \$113,311 in circuit costs results from the approved Disaster Recovery Policy Item.

Transfers of \$2,646,216 fund internal ISD administration and overhead costs, including costs associated with Human Resources functions. The \$237,052 increase is primarily due to MOU and retirement cost increases.

Reimbursements of \$2,059,013 account for reimbursement of administrative costs by individual service departments within the Network Services budget unit. The increase of \$279,360 includes MOU and retirement related cost increases for administrative staff, reimbursement by the Computer Operations budget unit for the purchase of the IT Operational Support System (SPOE), and share of cost for a Storekeeper position.

Operating transfers out of \$100,000 fund Capital Improvement Program costs for the relocation of 800 MHz staff and equipment to an alternative site due to additional space needs.

Current services revenue of \$21,830,215 includes revenue for telephone, voicemail, 800 number, rack space rental, pager, 800 MHz radio access and subscriber maintenance, communication installation and electronic maintenance labor, and WAN services charges. The \$2,585,724 increase includes WAN program revenue and increased service rates.

Operating transfers in of \$2,657,810 primarily represent general fund financing of the 1-800 MHz radio program.

Fixed assets of \$2,885,492 include maintaining the previous years fixed asset expenditure level of \$1.7 million to replace communication infrastructure equipment including \$325,000 for Trunked Simulcast Conversion equipment and \$154,000 for radio system equipment from Motorola (a sole source vendor); \$346,000 for Digital Audio Cross Connect Systems equipment from Tellabs (a sole source vendor); \$350,000 for microwave system hardware upgrades from Harris Microwave (a sole source vendor); \$200,000 to acquire land to install an additional microwave site to transmit 800 MHz radio and telephone signals, replacing an existing site that ISD was forced to vacate; \$368,769 for the replacement of end-of-life network system hardware for the Wide Area Network; \$500,000 for catastrophic events/unplanned requirements to be expended only as needed; and \$103,723 for Cisco equipment resulting from the approved Disaster Recovery Policy Item to design and implement an off-site disaster recovery system for mission critical Intel-based platforms/applications.

PERFORMANCE MEASURES			
Description of Performance Measure	2006-07 Projected	2006-07 Actual	2007-08 Projected
Percentage of 800 MHz site controllers moved to a digital capable and vendor supported platform.	New	0%	50%
Percentage of total projected RED radios online (1200 red channel radios).	100%	96%	100%
Percentage of Internet Protocol (IP) based connections established for telephone usage between the County's main telephone locations.	New	0%	100%
Percentage of IP based connections established for telephone usage between the County's main telephone locations and outlying locations.	New	New	50%
Percentage of network that has been reconfigured to fully utilize new link and bandwidth.	10%	0%	75%
Percentage of disaster recovery site completed.	New	New	100%

In 2007-08, Network Services planned to begin migration of the 800 MHz radio system controllers to a digital capable platform. This project was delayed indefinitely in 2006-07 due to issues related to the nationwide Re-banding Project.

As part of ISD's goal to provide technology solutions that enable customers to better serve the citizens of the County, Network Services met 96% of its performance measure to bring 100% of the 1,200 RED radios online. The installation of the remaining radios has been delayed due to the lack of adequate storage space for one customer to receive and install the radios. ISD anticipates completion of this project by December 2007. Once complete, this system will enhance 800 MHz radio interoperability between various valley-wide law enforcement agencies.

ISD also plans to begin establishing Internet Protocol (IP) based connections between the County's main locations and outlying areas to make more efficient use of the County's network and to reduce telecommunication costs. ISD was not able to meet its 2006-07 performance measure to have 10% of these connections established due to a variety of phone system vendor related issues. Another objective is to develop a high-capacity alternate route between the San Bernardino Valley and the High Desert to accommodate high-speed data traffic. Negotiations for an additional site have taken longer than anticipated and are still in progress. As a result, the department did not meet the 10% network reconfiguration performance measure to fully utilize new link and bandwidth. In addition, ISD has an approved policy item for 2007-08 to install and implement an offsite disaster recovery center for Intel-based computer applications.

Despite the delays in the 2006-07 projects, ISD expects to meet all of its 2007-08 performance measures by the end of the fiscal year.

800 MHz – Rebanding Project

DESCRIPTION OF MAJOR SERVICES

The Information Services Department (ISD) operates and maintains the county's 800 MHz radio communications system. This system provides county-wide, fully interoperable radio communications by which dispatch centers, public safety locations, mobile and portable radios communicate via voice transmission. This system is primarily for local government agency use, and secondarily for additional governmental and related non-governmental users to facilitate public safety. The users consist of county departments, 24 cities, special districts and several outside agencies. The system supports approximately 15,000 radios used by public safety agencies and public health providers throughout the county.

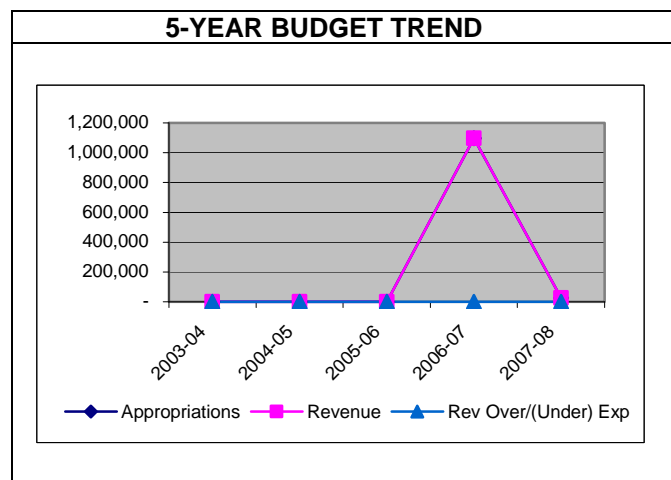
On August 6, 2004, the Federal Communications Commission (FCC) issued Report and FCC Order 04-168 (Order) that modified its rules governing the 800 MHz band to minimize harmful interference to public safety communications systems. Pursuant to the Order, certain licensees of 800 MHz channels in public safety or other systems were required to relinquish their existing channels and relocate their systems to other licensed channels. The Order stipulated that because Nextel communications is the main cause of the interference, they must pay for the relocation to replacement channels and the reconfiguration of these systems. The Order further stipulated that upon completion, these systems must have the same operational capabilities that existed before relocation. The entire process was to be completed by July 2008, however, the project is currently on hold nationwide awaiting further direction from the FCC.

Each public safety 800 MHz communication system licensee is required to negotiate a re-banding project plan and agreement with Nextel. This agreement would cover all aspects of re-banding and cost estimates. Nextel is required to secure a \$2.5 billion line of credit to be administered by the Transition Authority (TA) to reimburse public safety re-banding system entities of their costs.

The county began the planning phase of the re-banding process in 2005. The initial phase involved a frequency analysis, infrastructure inventories, and the development of the Planning Funding Agreement (PFA) with Nextel. The Board approved the PFA on April 18, 2006.

There is no staffing associated with this budget unit.

BUDGET HISTORY



PERFORMANCE HISTORY

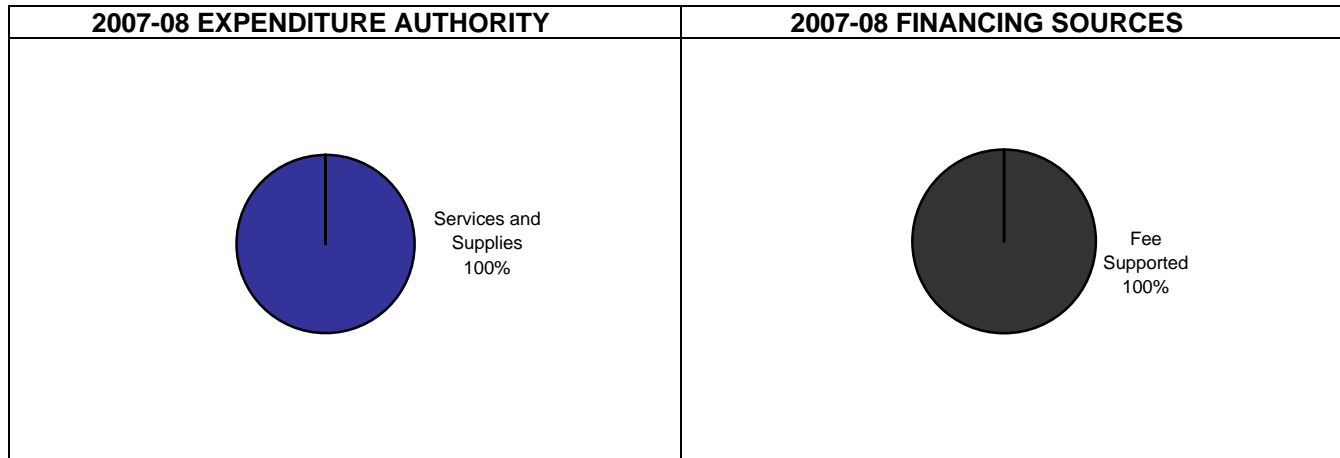
	2003-04 Actual	2004-05 Actual	2005-06 Actual	2006-07 Modified Budget	2006-07 Actual
Appropriation	-	-	1,228,272	1,096,200	297,822
Departmental Revenue	-	-	549,977	1,096,200	(678,295)
Revenue Over/(Under) Exp	-	-	(678,295)	-	(976,117)

In 2006-07, estimated appropriation is less than the modified budget primarily due to the department's focus on the completion of the inventory and planning phase of the project. The majority of these costs were for internal and contract staff salaries and benefits.

To date, the county has not received reimbursement for the outstanding \$678,295 from 2005-06, or \$297,822 from 2006-07, and intends to enter into mediation to recover these costs from Nextel. On December 5, 2006, the Board of Supervisors approved a contract with Motorola as a sole source provider to develop a detailed design and re-banding transition plan for the county. The plan will include an analysis of the county's Fixed Network Inventory to determine which upgrades are needed to the software, hardware and firmware to enable migration to the re-banded frequencies. On August 28, 2007, the Board of Supervisors approved a reduction of the total contract cost from \$247,925 to \$195,000 as a result of negotiations between Nextel and Motorola, Inc. Per contract terms, the costs will be paid in full by Nextel and under no condition is the county liable.



ANALYSIS OF FINAL BUDGET



GROUP: Administrative/Executive
 DEPARTMENT: Information Services
 FUND: 800 MHZ Rebanding Project

BUDGET UNIT: IBT MHZ
 FUNCTION: General
 ACTIVITY: Other

	2003-04 Actual	2004-05 Actual	2005-06 Actual	2006-07 Actual	2006-07 Final Budget	2007-08 Final Budget	Change From 2006-07 Final Budget
Appropriation							
Salaries and Benefits	-	-	120,393	-	-	-	-
Services and Supplies	-	-	1,105,085	297,381	1,091,700	25,000	(1,066,700)
Central Computer	-	-	2,794	441	4,500	-	(4,500)
Total Appropriation	-	-	1,228,272	297,822	1,096,200	25,000	(1,071,200)
Departmental Revenue							
Current Services	-	-	549,977	(678,295)	1,096,200	25,000	(1,071,200)
Total Revenue	-	-	549,977	(678,295)	1,096,200	25,000	(1,071,200)
Rev Over/(Under) Exp	-	-	(678,295)	(976,117)	-	-	-

Services and supplies of \$25,000 consist of contract staff salaries for general project administration. The \$1,066,700 decrease is due to the uncertainty of the next project phase. Once the department receives direction from the FCC regarding the subsequent phases of the project, they will seek approval from the Board of Supervisors to make any necessary budget adjustments based on the new or revised Orders from the FCC.

Current service revenue of \$25,000 includes revenue to be reimbursed by Nextel for contract salary and benefit costs.



PURCHASING

Jim Lindley

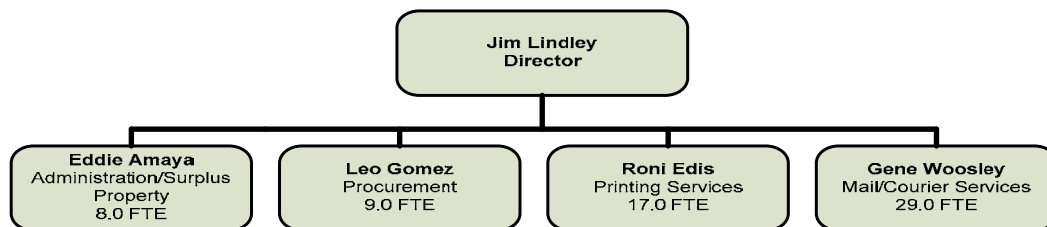
MISSION STATEMENT

The Purchasing Department is dedicated to manage for our customers the most cost-effective and efficient procurement of quality goods and services in support of the County of San Bernardino mission and goals. We will accomplish this through exceptional customer service, innovative processes, and sound business practices. In addition, we provide in-house services such as comprehensive mail services, printing, and surplus property and storage operations through three internal service programs (Mail/Courier Services, Printing Services, and Surplus Property and Storage Operations).

STRATEGIC GOALS

1. Initiate and conduct a countywide quarterly training program that trains county employees on specific Procurement and the Internal Service Funds policies and procedures to ensure quality customer service.
2. Enhance the quality of service for departments by increasing the number of Buyer II's that earns the C.P.M. accreditation within the Purchasing Department.
3. Promote efficiency in mail services by re-advertising and encouraging the multiple capabilities of the intelligent inserting of mail to county departments and any outside agencies and municipalities.
4. Promote efficiency by standardizing the current request for proposal (RFP) process to create an RFP template for all county departments to use.
5. Increase turnaround service of a requisition by creating an interactive requisition form and post on the Purchasing web page on Countyline to enhance customer service.

ORGANIZATIONAL CHART



SUMMARY OF BUDGET UNITS

2007-08					
	Operating Exp/ Appropriation	Revenue	Local Cost	Revenue Over/ (Under) Exp	Staffing
<u>General Fund</u>					
Purchasing	1,307,588	50,000	1,257,588		15.0
Total General Fund	1,307,588	50,000	1,257,588		15.0
<u>Internal Service Funds</u>					
Printing Services	3,665,519	3,708,849		43,330	18.0
Surplus Property and Storage Operations	4,645,121	4,706,000		60,879	5.0
Mail/Courier Services	7,067,755	7,093,188		25,433	30.0
Total Internal Service Funds	15,378,395	15,508,037		129,642	53.0
Total - All Funds	16,685,983	15,558,037	1,257,588	129,642	68.0

Detailed information for each budget unit follows, along with a description of the services provided, budget unit history and applicable performance measures.



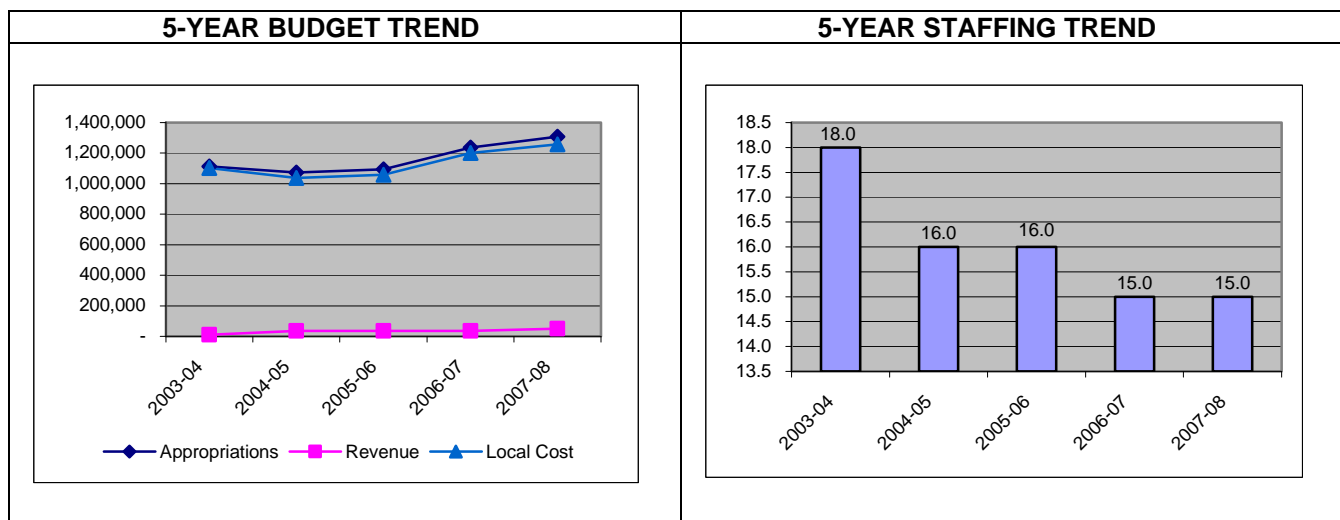
Purchasing

DESCRIPTION OF MAJOR SERVICES

The Purchasing Department is responsible for the acquisition of equipment, services, and supplies used by county departments and Board-governed districts. In addition, it is responsible for the management of three internal service programs (Surplus Property and Storage Operations, Mail/Courier Services and Printing Services). Purchasing also manages and arranges for the sale of county surplus property.

The Purchasing Department strives to provide service to all county departments, special districts and entities with sources for quality products with reasonable prices and timely deliveries. All willing vendors will be given the opportunity to provide pricing on their products and services in a fair, open, and competitive environment. Purchasing accomplishes this mission by treating each department, employee, and vendor with respect, integrity, and understanding. By extending this treatment to all, Purchasing fulfills the purchasing obligation of San Bernardino County.

BUDGET HISTORY

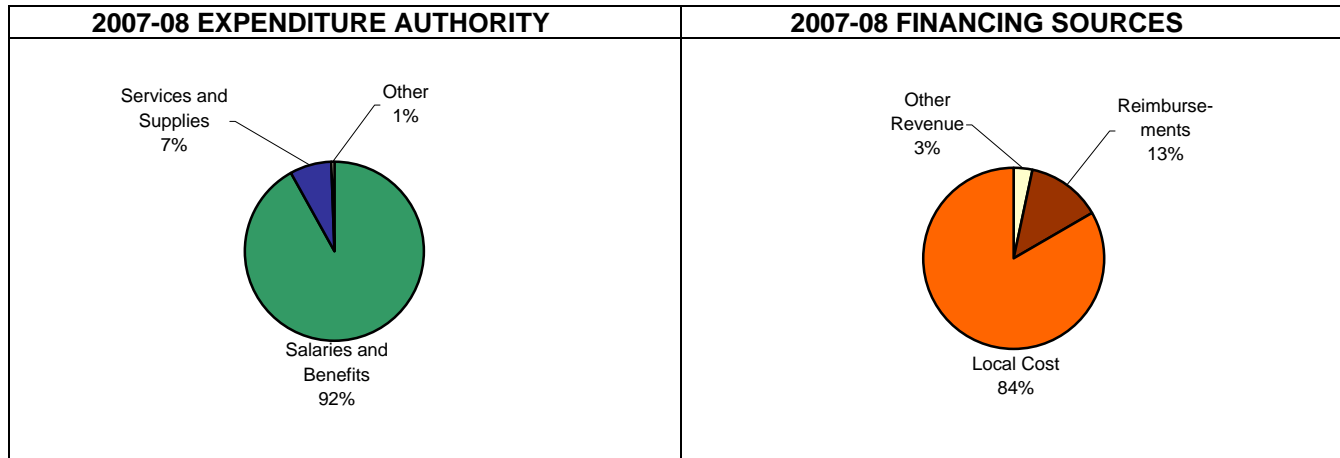


PERFORMANCE HISTORY

	2003-04 Actual	2004-05 Actual	2005-06 Actual	2006-07 Modified Budget	2006-07 Actual
Appropriation	1,022,018	1,045,091	1,113,255	1,273,858	1,265,411
Departmental Revenue	36,568	38,293	38,755	73,000	65,060
Local Cost	985,450	1,006,798	1,074,500	1,200,858	1,200,351
Budgeted Staffing				15.0	



ANALYSIS OF FINAL BUDGET



GROUP: Administrative/Executive
DEPARTMENT: Purchasing
FUND: General

BUDGET UNIT: AAA PUR
FUNCTION: General
ACTIVITY: Finance

	2003-04 Actual	2004-05 Actual	2005-06 Actual	2006-07 Actual	2006-07 Final Budget	2007-08 Final Budget	Change From 2006-07 Final Budget
Appropriation							
Salaries and Benefits	1,184,267	1,137,450	1,167,204	1,226,020	1,290,702	1,390,894	100,192
Services and Supplies	22,300	91,365	107,323	149,498	121,323	83,994	(37,329)
Central Computer	13,420	16,683	18,694	20,762	20,762	26,861	6,099
Other Charges	997	728	420	104	104	-	(104)
Equipment	-	-	-	9,214	-	-	-
L/P Struct/Equip/Vehicles	5,783	6,052	-	4,981	4,981	-	(4,981)
Transfers	3,312	3,432	3,233	4,105	4,105	9,458	5,353
Total Exp Authority	1,230,079	1,255,710	1,296,874	1,414,684	1,441,977	1,511,207	69,230
Reimbursements	(208,061)	(210,619)	(183,619)	(149,273)	(206,119)	(203,619)	2,500
Total Appropriation	1,022,018	1,045,091	1,113,255	1,265,411	1,235,858	1,307,588	71,730
Departmental Revenue							
State, Fed or Gov't Aid	8,043	2,249	1,182	-	-	-	-
Current Services	-	-	24	11	-	-	-
Other Revenue	28,500	36,035	37,528	65,049	35,000	50,000	15,000
Other Financing Sources	25	9	21	-	-	-	-
Total Revenue	36,568	38,293	38,755	65,060	35,000	50,000	15,000
Local Cost	985,450	1,006,798	1,074,500	1,200,351	1,200,858	1,257,588	56,730
Budgeted Staffing					15.0	15.0	-

Salaries and benefits of \$1,390,894 fund 15.0 positions and are increasing by \$100,192 primarily because of MOU, equity and retirement rate adjustments, an increase of \$14,211 in worker's compensation charges and \$6,344 for a reclassification of a Business Systems Analyst II to a Business Systems Analyst III.

Services and supplies of \$83,994 include software and hardware computer upgrades, training, office supplies, and annual equipment maintenance. The decrease of \$37,329 reflects a one-time expenditure that occurred in 2006-07 for a major remodel at 777 E. Rialto Avenue that will not be budgeted in 2007-08, and a reduction in the use of temporary help.

Transfers of \$9,458 include \$5,500 for Facilities Management charges for general department maintenance and mandated EH&P charges of \$3,958.

Reimbursements of \$203,619 represent transfers from the three internal service funds (Printing Services, Surplus Property and Storage Operations, and Mail/Courier Services) for administrative support and \$20,000 from Human Services for the reimbursement of surplus property given to community based organizations.



Departmental revenue of \$50,000 represents yearly proceeds from the sale of surplus property to the countywide auction vendor Nationwide. The \$15,000 increase is the result of the Board of Supervisors approved contract for Nationwide that has better sale proceeds for surplus property and a lower buyer's premium that will result in increased yearly revenue for the Purchasing Department.

PERFORMANCE MEASURES			
Description of Performance Measure	2006-07 Projected	2006-07 Actual	2007-08 Projected
Percentage increase of county employees who have been trained by Purchasing in specific procurement and internal service funds policies and procedures.	15%	40%	40%
Percentage of buyers that have earned the C.P.M. accreditation.	10%	0%	20%
Percentage of changes that are posted to the templates as they occur.	New	New	100%
Percentage of county departments that use the interactive requisition.	New	New	50%

The Purchasing Department did not meet it's initial goal in 2006-07 of a Buyer earning the C.P.M accreditation due to the fact that one Buyer has completed only two of the four required modules at this time, and will not receive full accreditation until 2007-08. In 2007-08, the department will make a strong effort to enlist affected Buyers in the certification process to ensure they earn the C.P.M. certification before the end of the fiscal year.



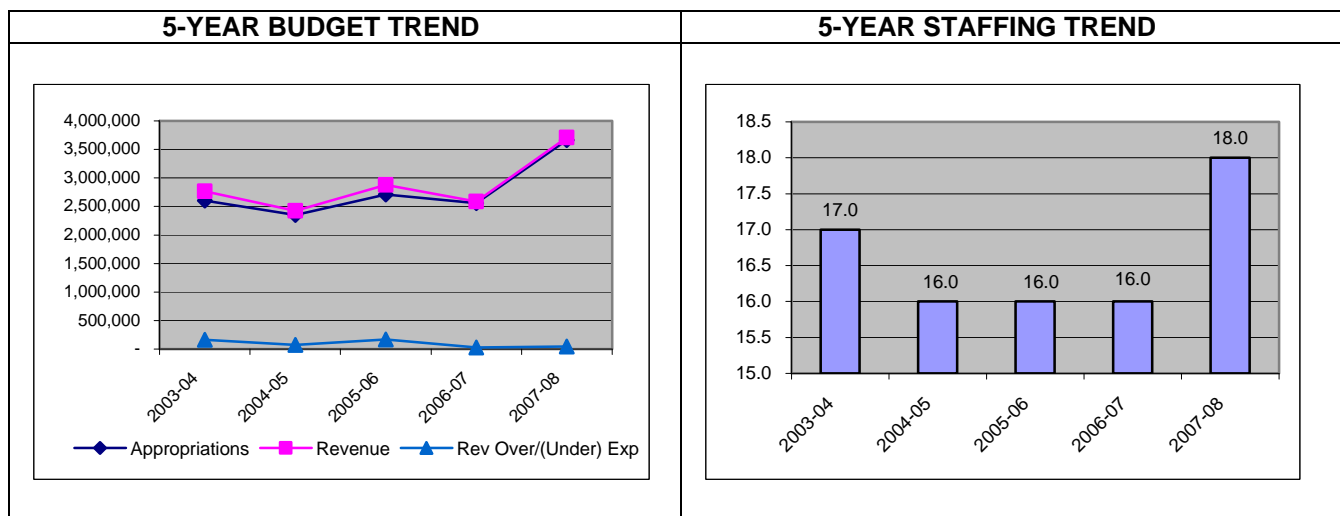
Printing Services

DESCRIPTION OF MAJOR SERVICES

Printing Services composes, sets, prints, collates, and binds county forms, pamphlets, and reports for county departments and special districts. The purpose of this division is to provide high quality printed materials utilizing the latest technological advances in order to serve the needs of county departments. Printing Services also administers the Arrowhead Regional Medical Center (ARMC) Forms Program. This division strives to deliver services in a timely and most cost effective manner that is beneficial to all its customers.

The Purchasing – Printing Services Division budget unit is an Internal Service Fund (ISF). All operational costs of this program are distributed to user departments through user rates. As an ISF, any unrestricted net assets available at the end of a fiscal year are carried over to the next fiscal year and are used for working capital and for replacement of fixed assets. Any excess or shortage is incorporated into the rate structure.

BUDGET HISTORY



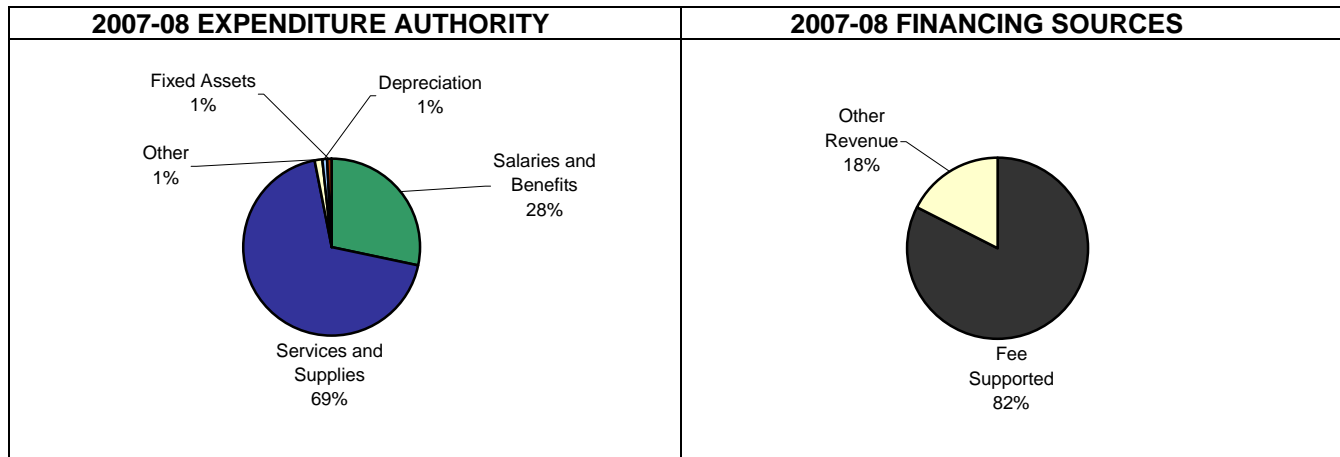
PERFORMANCE HISTORY

	2003-04 Actual	2004-05 Actual	2005-06 Actual	2006-07 Modified Budget	2006-07 Actual
Appropriation	2,548,386	2,552,427	2,720,475	2,560,028	3,955,304
Departmental Revenue	2,503,248	2,677,230	2,975,297	2,586,287	4,018,759
Revenue Over/(Under) Exp	(45,138)	124,803	254,822	26,259	63,455
Budgeted Staffing				18.0	
Fixed Assets	187,189	32,826	7,421	32,500	26,849
Unrestricted Net Assets Available at Year End	161,402	258,995	487,899		524,505

The 2006-07 actuals are greater than the budgeted amounts due to an increase in the ARMC Forms Program. As part of the Purchasing Department reorganization, the ARMC Forms Program increased actual appropriation during 2006-07; however, revenue increased slightly more than appropriation due to a 20% increase in Printing Services by user departments and the inclusion of revenue from the ARMC Forms Program. Printing Services also actively solicited new business from other public service agencies, which also contributed to the increase in revenue. The ARMC Forms Program is included in the 2007-08 budget.



ANALYSIS OF FINAL BUDGET



GROUP: Administrative/Executive
DEPARTMENT: Purchasing
FUND: Printing Services

BUDGET UNIT: IAG PUR
FUNCTION: General
ACTIVITY: Printing

	2003-04 Actual	2004-05 Actual	2005-06 Actual	2006-07 Actual	2006-07 Final Budget	2007-08 Final Budget	Change From 2006-07 Final Budget
Appropriation							
Salaries and Benefits	785,560	807,396	803,519	924,533	931,906	1,042,679	110,773
Services and Supplies	1,748,784	1,734,253	1,933,142	2,967,850	1,583,700	2,531,025	947,325
Central Computer	5,030	7,378	7,270	9,796	9,796	10,825	1,029
Other Charges	4,659	3,363	5,453	-	-	-	-
Transfers	52,143	52,259	52,253	53,125	53,125	53,241	116
Total Exp Authority	2,596,176	2,604,649	2,801,637	3,955,304	2,578,527	3,637,770	1,059,243
Reimbursements	(47,790)	(52,222)	(81,162)	-	(59,776)	-	59,776
Total Appropriation	2,548,386	2,552,427	2,720,475	3,955,304	2,518,751	3,637,770	1,119,019
Depreciation	-	-	-	-	41,277	27,749	(13,528)
Total Requirements	2,548,386	2,552,427	2,720,475	3,955,304	2,560,028	3,665,519	1,105,491
Departmental Revenue							
Current Services	2,503,178	2,676,235	2,960,329	4,018,759	2,586,287	3,058,849	472,562
Other Revenue	70	995	14,968	-	-	650,000	650,000
Total Revenue	2,503,248	2,677,230	2,975,297	4,018,759	2,586,287	3,708,849	1,122,562
Rev Over/(Under) Exp	(45,138)	124,803	254,822	63,455	26,259	43,330	17,071
Budgeted Staffing					16.0	18.0	2.0
Fixed Assets							
Improvement to Structures	-	-	-	19,369	25,000	-	(25,000)
Equipment	139,010	-	-	7,480	7,500	-	(7,500)
Vehicles	-	-	-	-	-	30,000	30,000
L/P Equipment	48,179	32,826	7,421	-	-	-	-
Total Fixed Assets	187,189	32,826	7,421	26,849	32,500	30,000	(2,500)

Salaries and benefits of \$1,042,679 fund 18.0 positions and are increasing by \$110,773 primarily due to the addition of 2.0 Storekeeper positions added to Printing Services during 2006-07 for the administration of the ARMC Forms Program, which was transferred from Central Stores during last fiscal year. The rest of the increase stems from mandatory MOU increases, retirement rate adjustments, a proposed equity adjustment for the Printing Services Supervisor, and upward reclassifications of one Graphic Designer I position to a Graphic Designer II which will cost approximately \$6,999, and a Reproduction Equipment Operator I position to a Reproduction Equipment Operator II which will cost approximately \$811. The department will propose one downward reclassification based on department needs of a Fiscal Assistant to Office Assistant II representing a savings of approximately \$4,500. The department will present an agenda item to the Board of Supervisors requesting approval for the equity adjustment at a later date.



Services and supplies of \$2,531,025 include the purchase of materials for all the printing jobs, hardware and software upgrades for Graphic Arts, office supplies, outside printing requests, COWCAP charges, and rental payments for the Quick Copy machines. The increase of \$947,325 is due primarily to the purchase of extra materials for the ARMC Forms Program, and the purchase of additional supplies to meet increased demand by user departments for printing services.

Transfers of \$53,241 represent reimbursement to the Purchasing Department of \$49,020 for administrative support, and mandated EH&P charges.

Revenue of \$3,708,849 is for all printing services job orders. The increase of \$1,122,562 is a result of the transfer of revenue for the ARMC Forms Program, and an anticipated increase in printing services by user departments.

Vehicles are budgeted at \$30,000 for the purchase of a cargo van to be used for deliveries for the ARMC Forms Program and miscellaneous printing jobs.



Surplus Property and Storage Operations

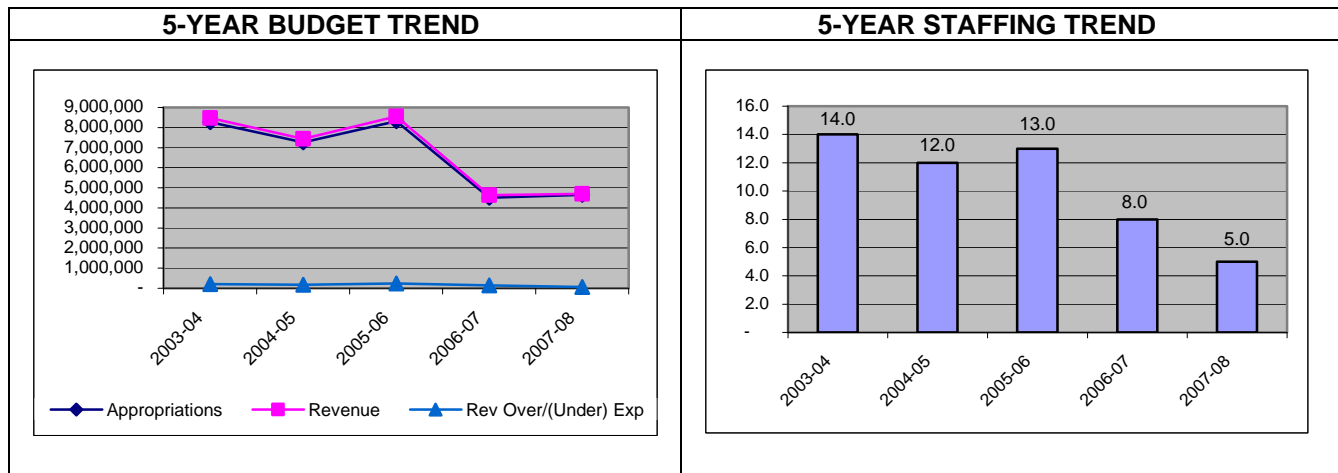
DESCRIPTION OF MAJOR SERVICES

Surplus Property and Storage Operations maintains the surplus property pool, serves as a storage facility for county departments, administers the Office Depot Next Day Desktop Delivery Program, and administers the printer cartridges recycling program. The Office Depot Next Day Desktop Delivery Program enables departments to order all their office supplies on-line through Office Depot's website, and receive delivery of their order within 24 hours (within greater San Bernardino area). The top 300 office products used by the county departments receive special "net" pricing, which can be up to 57% off the catalog price. The division strives to accurately inventory and fairly distribute surplus property to interested county departments, community-based organizations, and the general public.

During 2006-07, Central Stores was phased out and the county transitioned into a "Just in Time" procurement system. In this budget year, Surplus Property and Storage Operations will move to a barcode system that will enable the tracking of all surplus property that is turned in and issued out. In addition, Surplus Property and Storage Operations will be beginning to market surplus property on Countyline for county departments and hold public auctions on the internet for the general public.

The Purchasing – Surplus Property and Storage Operations Division budget unit is an Internal Service Fund (ISF). All operational costs of this program are distributed to user departments through user rates. As an ISF, any unrestricted net assets available at the end of a fiscal year are carried over to the next fiscal year and are used for working capital and for replacement of fixed assets. Any excess or shortage is incorporated into the rate structure.

BUDGET HISTORY



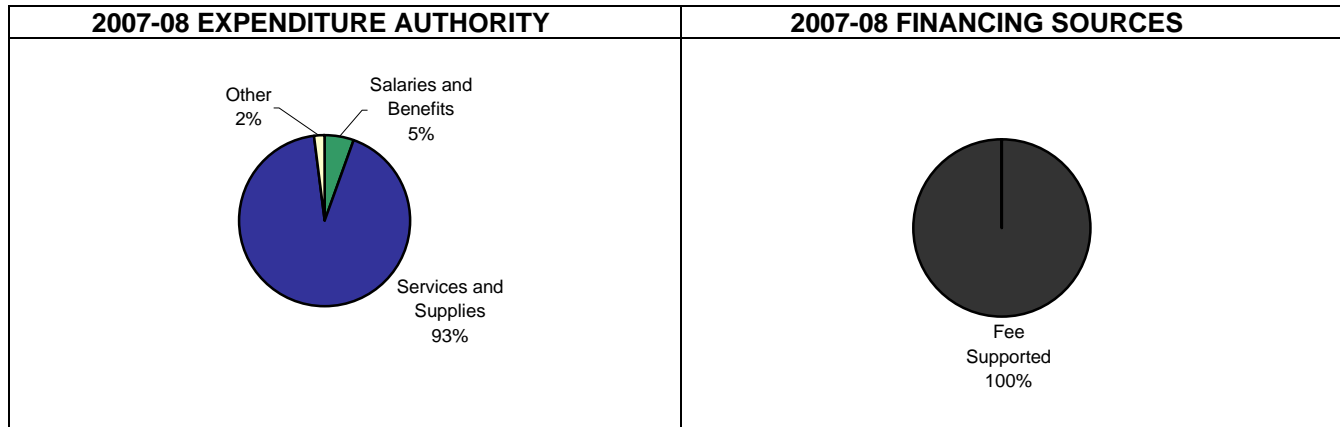
PERFORMANCE HISTORY

	2003-04 Actual	2004-05 Actual	2005-06 Actual	2006-07 Modified Budget	2006-07 Actual
Appropriation	8,013,104	8,636,892	8,776,583	4,500,088	5,227,686
Departmental Revenue	7,703,050	8,929,050	8,884,935	4,637,023	5,233,616
Revenue Over/(Under) Exp	(310,054)	292,158	108,352	136,935	5,930
Budgeted Staffing				8.0	
Fixed Assets	-	-	4,412	-	-
Unrestricted Net Assets Available at Year End	107,208	224,000	220,820		225,529

The 2006-07 actuals are greater than the budgeted amounts primarily due to an increase in services and supplies. This increase is a result of the increase in department orders through the Office Depot Desktop Next Day Delivery Program. The closure of Central Stores in September of 2006 contributed to the increase by allowing departments who ordered supplies from Central Stores to utilize Office Depot as their vendor of choice for many products. Departmental revenue increased as the result of the increase in Office Depot orders.



ANALYSIS OF FINAL BUDGET



GROUP: Administrative/Executive
DEPARTMENT: Purchasing
FUND: Surplus Property and Storage Operations

BUDGET UNIT: IAV PUR
FUNCTION: General
ACTIVITY: Surplus and Storage

	2003-04 Actual	2004-05 Actual	2005-06 Actual	2006-07 Actual	2006-07 Final Budget	2007-08 Final Budget	Change From 2006-07 Final Budget
Appropriation							
Salaries and Benefits	509,318	521,745	417,411	265,356	385,981	252,565	(133,416)
Services and Supplies	7,369,451	7,991,863	8,199,765	4,903,934	3,971,919	4,284,281	312,362
Central Computer	9,358	14,124	14,354	9,873	14,494	12,760	(1,734)
Transfers	124,977	109,160	145,053	48,523	123,600	92,489	(31,111)
Total Appropriation	8,013,104	8,636,892	8,776,583	5,227,686	4,495,994	4,642,095	146,101
Depreciation	-	-	-	-	4,094	3,026	(1,068)
Total Requirements	8,013,104	8,636,892	8,776,583	5,227,686	4,500,088	4,645,121	145,033
Departmental Revenue							
Current Services	7,703,050	8,925,285	8,884,935	5,232,395	4,637,023	4,706,000	68,977
Other Revenue	-	3,765	-	-	-	-	-
Other Financing Sources	-	-	-	1,221	-	-	-
Total Revenue	7,703,050	8,929,050	8,884,935	5,233,616	4,637,023	4,706,000	68,977
Rev Over/(Under) Exp	(310,054)	292,158	108,352	5,930	136,935	60,879	(76,056)
Budgeted Staffing					8.0	5.0	(3.0)
Fixed Assets							
Equipment	-	-	4,412	-	-	-	-
Total Fixed Assets	-	-	4,412	-	-	-	-

Salaries and benefits of \$252,565 fund 5.0 positions and are decreasing by \$133,416 due to the reduction of 3.0 positions from 2006-07, thus continuing the consolidation of services and increased efficiencies within surplus property and storage operations. The department is requesting the reclassification of 1.0 Stores Specialist to 1.0 Stores Supervisor at the same pay range. The reclassification will allow customer questions to be answered and decisions made in a timely manner. Other duties will include oversight of programs such as surplus issuance and receiving, recycling and on-line auctions.

Services and supplies of \$4,284,281 include the purchase of office supplies for all county departments through Office Depot, and system development charges. The increase of \$312,362 reflects an anticipated increase in the purchase of office supplies for county departments, and an increase in COWCAP charges.

Transfers of \$92,489 include reimbursement to the Purchasing Department for administrative support, and mandated EH&P charges. The \$31,111 decrease is a result of the termination of reimbursement to Printing Services for one-third of the Printing/Mail Services Manager's salary due to a department reorganization.

Charges for current services of \$4,706,000 include revenue from the Office Depot consolidated billing program, vendor rebates, storage fees, and printer cartridge recycling. The \$68,977 increase in revenue is due to an anticipated increase in demand by user departments for Office Depot supplies in 2007-08.



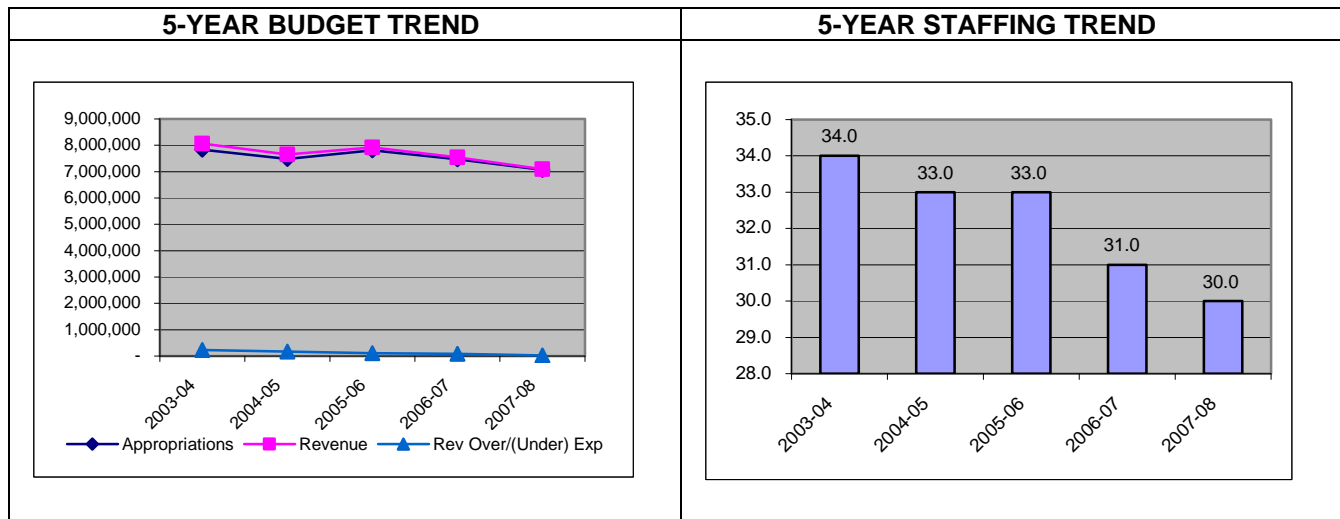
Mail/Courier Services

DESCRIPTION OF MAJOR SERVICES

Mail/Courier Services provides interoffice, U.S. Postal, and courier service to agencies, departments, and special districts within the county. The division's main goal is to deliver each piece of mail in a timely and accurate manner.

The Purchasing Department's Mail/Courier Services budget unit is an Internal Service Fund (ISF). As an ISF, any unrestricted net assets available at the end of a fiscal year are carried over to the next fiscal year and are used as working capital and for replacement of fixed assets. Any excess or shortage is incorporated into the rate structure.

BUDGET HISTORY



PERFORMANCE HISTORY

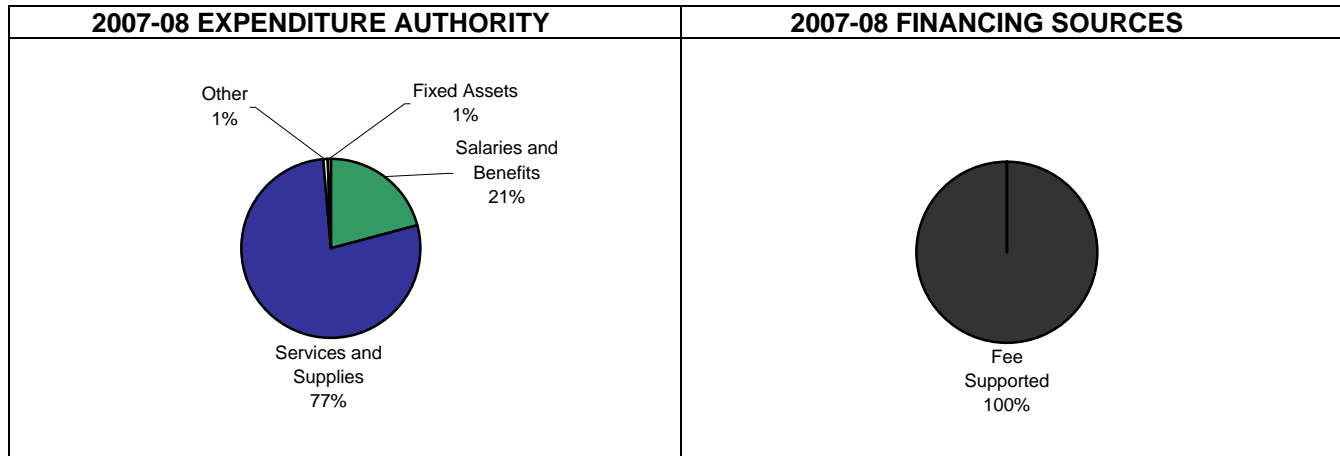
	2003-04 Actual	2004-05 Actual	2005-06 Actual	2006-07 Modified Budget	2006-07 Actual
Appropriation	7,597,199	7,473,474	6,885,767	7,463,766	6,964,472
Departmental Revenue	8,030,748	7,902,243	6,897,044	7,548,000	6,897,350
Revenue Over/(Under) Exp	433,549	428,769	11,277	84,234	(67,122)
Budgeted Staffing				31.0	
Fixed Assets	15,734	65,803	30,790	27,000	23,977
Unrestricted Net Assets Available at Year End	927,857	1,280,274	1,248,812		1,157,713

Appropriation and departmental revenue in 2006-07 are below budget due to an anticipated increase in postage not materializing and continued automation and outsourcing from county departments involved in the Human Services System C-IV Program. Additionally, this budget unit's appropriation exceeded revenue by \$67,122. The excess appropriation was offset through this budget unit's working capital requirements. Per the Auditor/Controller-Recorder's, Report of Operations, the amount of working capital available in 2006-07 is \$1,248,812.

In 2006-07, the Auditor/Controller-Recorder conducted an annual rate study for this budget unit. The study detailed a revenue shortage in both the presort and inter-office mail functions and recommended a rate increase. On February 27, 2007, the Board of Supervisors approved rate adjustments for both the presort and inter-office functions to take effect in 2007-08. Increases in both functions will enable Mail/Courier Services to maintain two months worth of operating expenses in order to fully fund their working capital reserve.



ANALYSIS OF FINAL BUDGET



GROUP: Administrative/Executive
DEPARTMENT: Purchasing
FUND: Mail Courier Services

BUDGET UNIT: IAY PUR
FUNCTION: General
ACTIVITY: Mail & Courier Services

	2003-04 Actual	2004-05 Actual	2005-06 Actual	2006-07 Actual	2006-07 Final Budget	2007-08 Final Budget	Change From 2006-07 Final Budget
Appropriation							
Salaries and Benefits	1,148,888	1,137,213	1,275,352	1,370,311	1,498,250	1,478,335	(19,915)
Services and Supplies	6,396,250	6,259,757	5,523,200	5,533,972	5,840,177	5,503,279	(336,898)
Central Computer	2,278	4,209	4,898	5,596	5,596	8,613	3,017
Other Charges	1,705	3,484	2,518	1,909	2,000	1,117	(883)
Transfers	48,078	68,811	79,799	52,684	82,572	52,398	(30,174)
Total Appropriation	7,597,199	7,473,474	6,885,767	6,964,472	7,428,595	7,043,742	(384,853)
Depreciation	-	-	-	-	35,171	24,013	(11,158)
Total Requirements	7,597,199	7,473,474	6,885,767	6,964,472	7,463,766	7,067,755	(396,011)
Departmental Revenue							
Current Services	8,030,648	7,902,243	6,897,044	6,897,350	7,548,000	7,093,188	(454,812)
Other Revenue	100	-	-	-	-	-	-
Total Revenue	8,030,748	7,902,243	6,897,044	6,897,350	7,548,000	7,093,188	(454,812)
Rev Over/(Under) Exp	433,549	428,769	11,277	(67,122)	84,234	25,433	(58,801)
Budgeted Staffing					31.0	30.0	(1.0)
Fixed Assets							
Equipment	-	33,657	7,536	-	7,000	22,000	15,000
L/P Equipment	15,734	32,146	23,254	23,977	20,000	24,654	4,654
Total Fixed Assets	15,734	65,803	30,790	23,977	27,000	46,654	19,654

Salaries and benefits of \$1,478,335 fund 30.0 positions and are decreasing by \$19,915. Included in the 2007-08 budget, is \$22,000 for three proposed equity increases for 1.0 Mail Services Supervisor II and 2.0 Mail Services Supervisor I positions. The cost of the equity increases are offset by the deletion of 1.0 Mail Processor II position. The department will present an agenda item to the Board of Supervisors requesting approval for the equity adjustments at a later date.

Services and supplies of \$5,503,279 include general office expenses, postage costs, COWCAP charges, presort and barcode services, equipment maintenance, and vehicle charges. The decrease of \$336,898 is due to an anticipated postal rate increase that did not materialize in 2006-07.

Other charges of \$1,117 represent interest payments on the fourth-year of a five-year lease-purchase of non-intelligent inserters.

Transfers of \$52,398 represent reimbursement to the Purchasing Department of \$44,420 for administrative support, and mandated EH&P charges.



Charges for current services of \$7,093,188 include revenue from mail and courier services. The \$454,812 decrease is a result of budgeting revenue based on past trends.

Equipment is budgeted at \$22,000 for the purchase of two postage meters needed to comply with new United States Postal Service technology standards.

Lease-purchase equipment of \$24,654 represents principal only payments on the fourth-year of a five-year lease purchase of non-intelligent inserters.



RISK MANAGEMENT

Laurie Milhiser

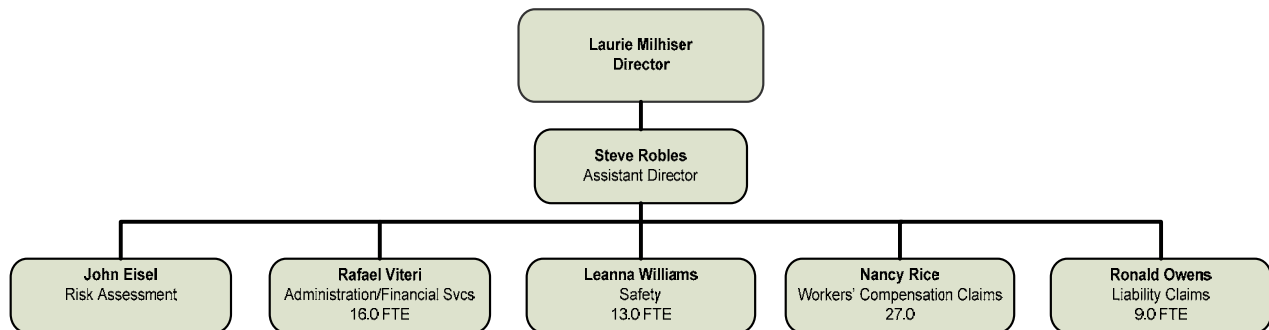
MISSION STATEMENT

Risk Management seeks to minimize the frequency and severity of financial loss to the County through a coordinated Enterprise Risk Management Program which includes identification and assessment of exposures that can result in loss, effective risk reduction and loss prevention programs for identified risks, aggressive claims management, and fiscally responsible risk financing and recovery.

STRATEGIC GOALS

1. Minimize risk management costs and stabilize premiums charged to county departments by utilizing strategies that enable the department to manage the various funds in the most cost-effective manner.
2. Improve customer service by providing interactive communication of risk management data.

ORGANIZATIONAL CHART



SUMMARY OF BUDGET UNITS

	2007-08			
	Operating Exp/ Appropriation	Revenue	Revenue Over/ (Under) Exp	Staffing
<u>Internal Service Funds</u>				
Operations	7,082,321	7,082,321	-	72.0
Insurance Programs	70,334,073	106,326,183	35,992,110	-
Total Internal Service Funds	77,416,394	113,408,504	35,992,110	72.0

Detailed information for each budget unit follows, along with a description of the services provided, budget unit history and applicable performance measures.

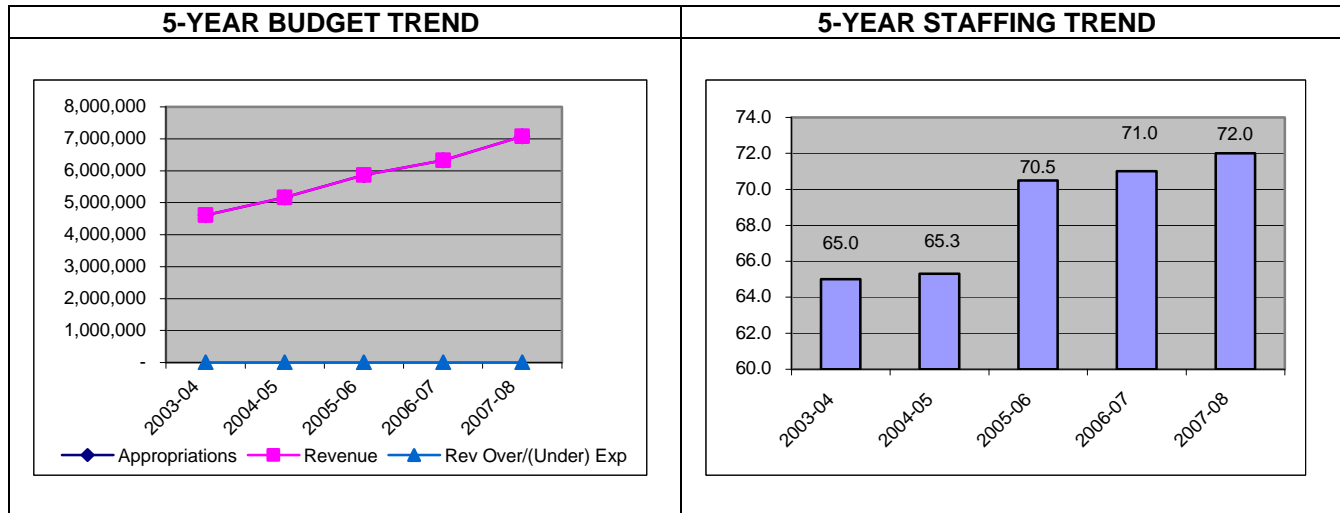


Operations

DESCRIPTION OF MAJOR SERVICES

Risk Management administers the county's self-insured workers' compensation, public liability, property conservation, safety and risk reduction programs and its insured programs. All programs are paid from self-insurance funds and financed by charging general fund and non-general fund departments, as well as Board-Governed Special Districts and County Service Areas. Each is billed for their specific coverage for the cost to pay losses under the self-insured programs and the cost of insurance for the insured programs.

BUDGET HISTORY



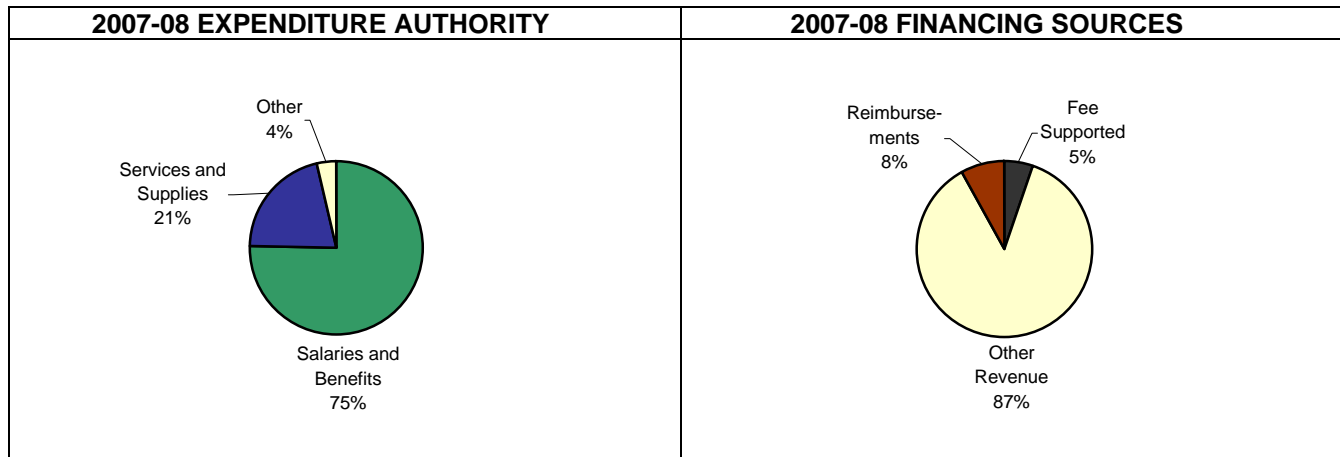
PERFORMANCE HISTORY

	2003-04 Actual	2004-05 Actual	2005-06 Actual	2006-07 Modified Budget	2006-07 Actual
Appropriation	4,958,155	4,832,121	5,425,784	6,320,807	7,775,878
Departmental Revenue	4,810,196	5,309,472	6,220,413	6,320,807	6,505,807
Revenue Over/(Under) Exp	(147,959)	477,351	794,629	-	(1,270,071)
Budgeted Staffing				71.0	
Fixed Assets	-	-	-	10,000	9,800
Unrestricted Net Assets Available at Year End	(67,646)	401,845	1,196,474		(485,324)

In 2006-07, appropriation is more than modified budget as a result of increased property and aircraft liability insurance costs. Additionally, the Operations budget unit is primarily funded through operating transfers from the insurance funds. These transfers are processed based on budgeted amounts, and if the Operations program does not spend all of their appropriation in a fiscal year, there is a year-end cash surplus. In 2006-07, an unbudgeted operating transfer out in the amount of \$1.64 million was processed to transfer unspent funds back to the insurance funds.



ANALYSIS OF FINAL BUDGET



GROUP: Administrative/Executive
DEPARTMENT: Risk Management
FUND: Operations

BUDGET UNIT: IBP RMG
FUNCTION: General
ACTIVITY: Other General

	2003-04 Actual	2004-05 Actual	2005-06 Actual	2006-07 Actual	2006-07 Final Budget	2007-08 Final Budget	Change From 2006-07 Final Budget
Appropriation							
Salaries and Benefits	3,839,085	4,020,374	4,834,570	5,274,621	5,458,150	5,806,517	348,367
Services and Supplies	856,019	1,164,104	1,076,892	1,373,999	1,187,047	1,542,389	355,342
Central Computer	36,273	45,531	53,105	62,543	62,597	70,176	7,579
Transfers	143,469	161,389	28,391	32,181	32,181	33,234	1,053
Total Exp Authority	4,874,846	5,391,398	5,992,958	6,743,344	6,739,975	7,452,316	712,341
Reimbursements	(515,265)	(559,277)	(575,022)	(619,169)	(619,168)	(619,995)	(827)
Total Appropriation	4,359,581	4,832,121	5,417,936	6,124,175	6,120,807	6,832,321	711,514
Depreciation	-	-	7,848	9,221	-	-	-
Operating Transfers Out	598,574	-	-	1,642,482	200,000	250,000	50,000
Total Requirements	4,958,155	4,832,121	5,425,784	7,775,878	6,320,807	7,082,321	761,514
Departmental Revenue							
Use of Money and Prop	49,183	58,235	129,059	174,596	95,000	130,000	35,000
State, Fed or Gov't Aid	1,925	721	8,191	56,119	-	-	-
Current Services	439,869	366,041	470,720	406,439	375,000	400,000	25,000
Total Revenue	490,977	424,997	607,970	655,000	470,000	530,000	60,000
Operating Transfers In	4,319,219	4,884,475	5,612,443	5,850,807	5,850,807	6,552,321	701,514
Total Financing Sources	4,810,196	5,309,472	6,220,413	6,505,807	6,320,807	7,082,321	761,514
Rev Over/(Under) Exp	(147,959)	477,351	794,629	(1,270,071)	-	-	-
Budgeted Staffing					71.0	72.0	1.0
Fixed Assets							
Equipment	-	-	-	9,800	10,000	15,000	5,000
Total Fixed Assets	-	-	-	9,800	10,000	15,000	5,000

Salaries and benefits of \$5,806,517 fund 72.0 positions and are increasing by \$348,367 primarily resulting from increases in workers' compensation charges, and other costs associated with MOU and retirement rate adjustments, the mid-year reclassification of 3.0 positions resulting in costs of \$32,778, and the addition of 1.0 Staff Analyst II to coordinate the county's American's with Disabilities Act (ADA) program. This function was previously performed by a Human Resources Analyst and will entail the provision of consistent services to the disabled community, identifying and removing barriers, contract management with ADA experts, litigation support with County Counsel, management reporting, and maintaining accurate recordkeeping practices. In addition, the department included the following reclassifications:

- Fiscal Assistant (pay range 31) to a Payroll Specialist (pay range 33) to manage the department's payroll functions previously performed by the Human Resources Department.
- Supervising Liability Claims Rep and a Supervising Workers Comp Adjuster (pay range 62) to Claims Managers, a new classification (pay range 65), to reflect the additional management roles assumed by these positions.



Services and supplies of \$1,542,389 include costs for general office expenses, training, and information technology services. The increase of \$355,342 is a result of the COWCAP allocation increase from \$812,792 to \$1,055,140, anticipated equipment replacement, and inflation.

Transfers of \$33,234 represent costs for human resources programs including Employee Health and Productivity, Employee Benefits, and employee relations services.

Reimbursements of \$619,995 include reimbursements from the insurance funds for 6.0 Safety Specialists and 1.0 Workers' Compensation Claims Adjuster based on various Board of Supervisor's actions.

Operating transfers out of \$250,000 is an estimate of stale dated warrants and payments from previous years.

Departmental revenue of \$530,000 include interest revenue, revenue from the Emergency Medical Services program, and allocations from SB612.

Operating transfers in of \$6,552,321 come from the various insurance funds which are financed through Board of Supervisors approved rates paid by departments, Board-Governed Special Districts, and County Service Areas. The \$701,514 increase reflects the increased costs of program administration including salary and benefit increases due to staffing changes, increased COWCAP charges, equipment replacement and training needs.

Fixed asset equipment of \$15,000 is for the purchase of two servers to support the new automated claims management system.

PERFORMANCE MEASURES			
Description of Performance Measure	2006-07 Projected	2006-07 Actual	2007-08 Projected
Reduce average cost per Workers' Compensation claim.	<\$17,500	\$12,490	<\$18,500
Reduce average cost per general liability claim.	<\$5,800	\$9,144	<\$10,000
Percentage of verified compliance with contractual insurance requirements.	80%	80%	80%
Percentage increase of visits to the Risk Management website.	New	New	50%

The reduction of the average cost of Workers' Compensation claims reflects the impact of changes in workers' compensation legislation that allows an increased use of utilization review, new permanent disability schedules, and changes in vocational rehabilitation. In contrast, the average cost of general liability claims reflects an increasing trend in defense costs due to certain major litigated matters and large flood cases. As a result, the department hired specialty legal firms whose rates are significantly higher than contracted panel rates.



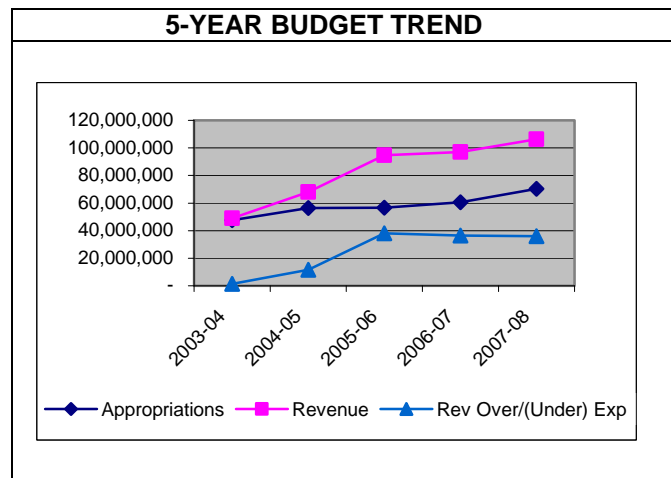
Insurance Programs

DESCRIPTION OF MAJOR SERVICES

Risk Management administers the county's self-insured workers' compensation, public liability, property conservation, safety and risk reduction programs and its insured programs. All programs are paid from self-insurance funds and financed by charging general fund and non-general fund departments, as well as Board-Governed Special Districts and County Service Areas. Each agency is billed for their specific coverage for the cost to pay losses under the self-insured programs and the cost of insurance for the insured programs.

There is no staffing associated with this budget unit.

BUDGET HISTORY



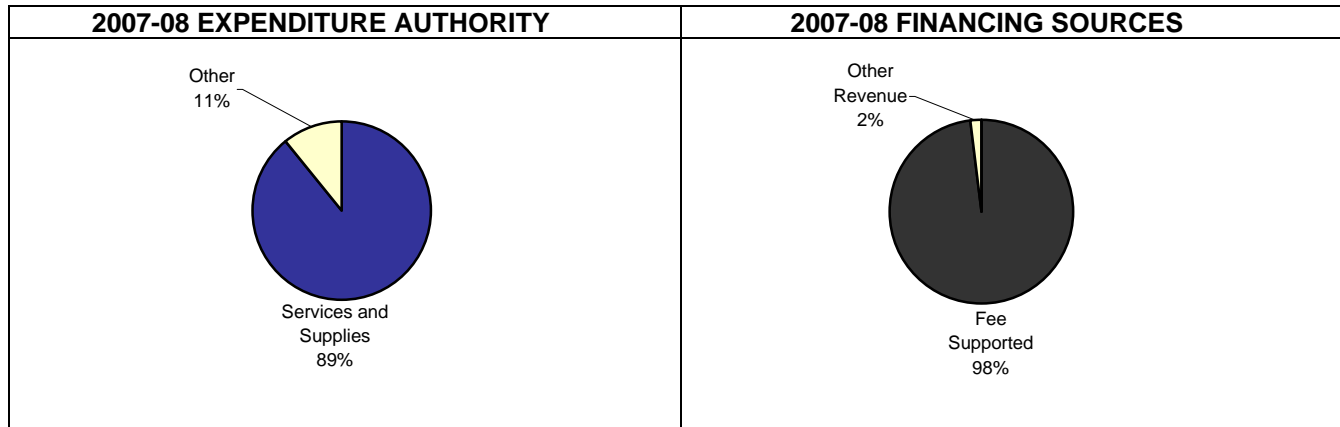
PERFORMANCE HISTORY

	2003-04 Actual	2004-05 Actual	2005-06 Actual	2006-07 Modified Budget	2006-07 Actual
Appropriation	56,585,885	47,913,728	59,670,550	60,686,873	52,702,580
Departmental Revenue	50,845,461	69,026,882	100,296,168	97,127,583	111,608,174
Revenue Over/(Under) Exp	(5,740,424)	21,113,154	40,625,618	36,440,710	58,905,594
Budgeted Staffing				-	
Fixed Assets	-	-	-	-	-
Unrestricted Net Assets Available at Year End	(55,689,581)	(47,077,608)	(15,997,800)		16,160,032

In 2006-07, appropriation is less than budget due to lower than anticipated claims expenditures. In addition, total financing is higher than budget primarily resulting from increased interest revenue, unbudgeted subrogation and claims cost recoveries, and receipt of an operating transfer for \$1.64 million from the Risk Management Operations budget unit to return remaining prior year fund balance. In addition, unrestricted net assets have been building as a result of the department's efforts to obtain 80% confidence levels in the insurance funds as recommended by actuarial analysis.



ANALYSIS OF FINAL BUDGET



GROUP: Administrative/Executive
DEPARTMENT: Risk Management
FUND: Risk Mgmt - Insurance Programs

BUDGET UNIT: Various
FUNCTION: General
ACTIVITY: Other General

	2003-04 Actual	2004-05 Actual	2005-06 Actual	2006-07 Actual	2006-07 Final Budget	2007-08 Final Budget	Change From 2006-07 Final Budget
Appropriation							
Services and Supplies	48,565,383	41,822,987	48,601,816	45,834,700	53,786,897	62,781,757	8,994,860
Other Charges	311,969	414,702	339,709	349,406	430,000	380,000	(50,000)
Transfers	515,265	558,677	575,022	619,169	619,169	619,995	826
Total Appropriation	49,392,617	42,796,366	49,516,547	46,803,275	54,836,066	63,781,752	8,945,686
Operating Transfers Out	7,193,268	5,117,362	10,154,003	5,899,305	5,850,807	6,552,321	701,514
Total Requirements	56,585,885	47,913,728	59,670,550	52,702,580	60,686,873	70,334,073	9,647,200
Departmental Revenue							
Use of Money and Prop	223,706	296,562	659,430	3,982,629	346,083	2,034,683	1,688,600
State, Fed or Gov't Aid	-	24,812	-	-	-	-	-
Current Services	47,196,390	68,503,274	99,288,830	105,748,141	96,745,000	104,255,000	7,510,000
Other Revenue	30,444	145,028	306,348	186,424	36,500	36,500	-
Total Revenue	47,450,540	68,969,676	100,254,608	109,917,194	97,127,583	106,326,183	9,198,600
Operating Transfers In	3,394,921	57,206	41,560	1,690,980	-	-	-
Total Financing Sources	50,845,461	69,026,882	100,296,168	111,608,174	97,127,583	106,326,183	9,198,600
Rev Over/(Under) Exp	(5,740,424)	21,113,154	40,625,618	58,905,594	36,440,710	35,992,110	(448,600)

Services and supplies of \$62,781,757 includes judgment and settlement costs, medical treatment and expenses, temporary disability and loss earnings, property insurance, and legal defense services. The \$8,994,860 increase is due to increased claims costs and premium costs for excess insurance in all insured and self-insured funds.

Other charges of \$380,000 include costs for taxes and assessments by the State of California for the worker's compensation self insurance plans.

Transfers of \$619,995 represent average salary and benefit costs for 6.0 Safety Specialists and 1.0 Workers' Compensation Adjuster, funded by various sub funds resulting from Board of Supervisor's actions.

Operating transfers out of \$6,552,321 represent funding for the Operations division. The \$701,514 increase is due to staffing adjustments, increased COWCAP charges, equipment replacement needs, inflation, and Human Resources services.

Departmental revenue of \$106,326,183 includes \$104,255,000 in insurance premiums collected from user departments. The \$7.5 million increase over last year is due to a Board of Supervisors approved rate change to pay for premiums and increase self-insured funding levels to the 80% acceptable confidence level based on actuarial analysis. Also included is \$2.0 million in interest earnings, an estimated \$1.7 million increase over last year based on anticipated fund balances, and \$36,500 in anticipated subrogation and claims cost recovery revenue.



PERFORMANCE MEASURES			
Description of Performance Measure	2006-07 Projected	2006-07 Actual	2007-08 Projected
Confidence level achieved in self-insured funds as determined by actuarial analysis.	New	57%	80%

In 2001, a commitment was made to restore the self-insured fund balances to the marginally acceptable 70% confidence level by 2008. In 2006-07, the department increased that commitment to 80% confidence levels as recommended by actuarial analysis. Risk Management implemented a five year recovery plan that accounts for the liquidation of a Guaranteed Investment Contract (GIC) in the amount of \$52.5 million at the end of 2008. This will aid the department in achieving the 80% confidence level by the end of the fiscal year.



ARROWHEAD REGIONAL MEDICAL CENTER

Patrick A. Petre

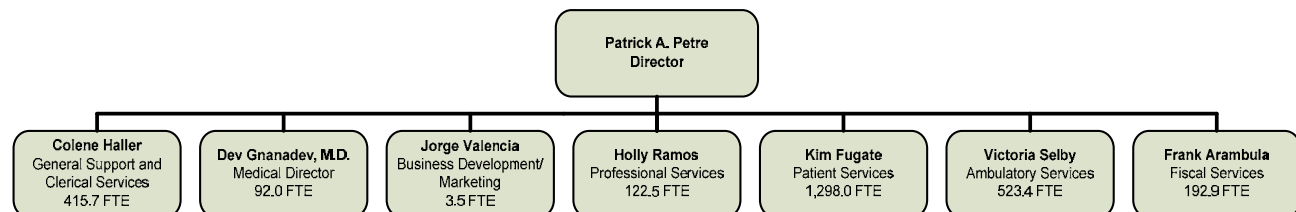
MISSION STATEMENT

The San Bernardino County "Arrowhead Regional Medical Center" (ARMC) is a safety net hospital with the primary mission of providing quality healthcare, a basic necessity of humankind, to the residents of San Bernardino County. We continuously strive to improve the health of the communities we serve and become the provider of choice for healthcare delivery and education.

STRATEGIC GOALS

1. Ensure the health and safety of County residents by increasing access to healthcare services through Outpatient and Emergency Room Visits.
2. Improve access to higher-level healthcare services for County residents through increased admissions in Acute Care.
3. Secure hospital financial health through efficient reimbursement policies and optimizing available revenue streams.
4. Reduce cost inefficiencies through containment opportunities and strategies to ensure effective hospital operations.
5. Enhance services and operations through continued improvement of Information Technology Infrastructure.
6. Continue improving customer satisfaction.

ORGANIZATIONAL CHART



SUMMARY OF BUDGET UNITS

	2007-08				
	Operating Exp/ Appropriation	Revenue	Fund Balance	Revenue Over/ (Under) Exp	Staffing
<u>Enterprise Funds</u>					
Arrowhead Regional Medical Center	364,151,503	361,628,449		(2,523,054)	2,656.0
Total Enterprise Funds	364,151,503	361,628,449	-	(2,523,054)	2,656.0
<u>Special Revenue Funds</u>					
Tobacco Tax	2,258,056	1,717,828	540,228	-	-
Archstone Foundation Grant	44,509	10,802	33,707		-
Total Special Revenue Funds	2,302,565	1,728,630	573,935	-	-
Total - All Funds	366,454,068	363,357,079	573,935	(2,523,054)	2,656.0

Detailed information for each budget unit follows, along with a description of the services provided, budget unit history and applicable performance measures.



Arrowhead Regional Medical Center

DESCRIPTION OF MAJOR SERVICES

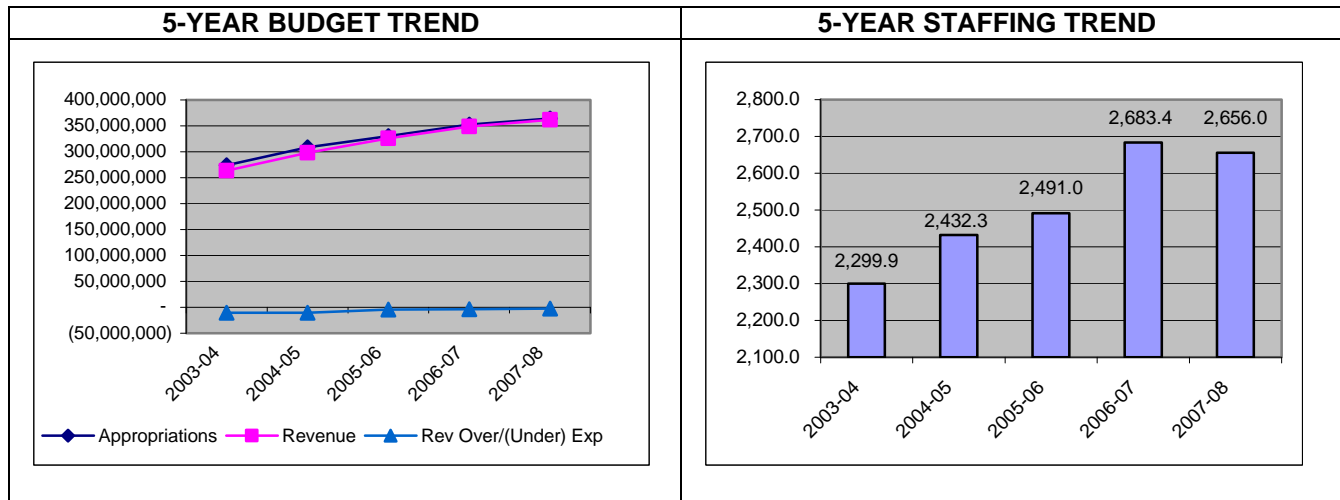
Arrowhead Regional Medical Center (ARMC) is a state-of-the-art acute care facility embracing advanced technology in all patient and support areas. ARMC offers the latest in patient care by providing a full range of inpatient and outpatient services, three off campus community health centers, Department of Behavioral Health's inpatient activities and numerous specialty services. Freeway access, shuttle service and close proximity to an Omnitrans bus hub make ARMC convenient to county residents.

ARMC and Behavioral Health facilities are comprised of 373 (90 in Behavioral Health and 283 in ARMC) inpatient rooms, most of which are private. The Emergency Department is a Level II Trauma Center and consists of 15 observation rooms, 8 treatment rooms, 3 law enforcement holding rooms, 8 trauma rooms and a 9 bay Rapid Medical Emergent Treatment area to expedite treatment and improve throughput. The helicopter landing area can accommodate both standard medi-vac helicopters and military helicopters. The outpatient care center consists of 109 examination rooms and 8 procedure rooms.

Inpatient Care: Inpatient services provide curative, preventative, restorative and supportive care for general and specialty units within the General Acute Care Hospital, Behavioral Health Hospital and Home Health. Care is coordinated among multiple care providers responsible for patient care twenty-four hours a day. Nursing functions as a primary interface with patients, families and others and is often the interpreter for the hospital experience and treatment plan. Education is a primary focus and ARMC offers numerous Residency Programs for the training of physicians in Family Practice, Emergency Medicine, Surgery, Neurosurgery, Women's Health, and Internal Medicine.

Outpatient Services: Outpatient Care is an integral part of our multifaceted healthcare delivery system offering a wide range of emergency, primary, preventive, chronic, follow-up and specialty care in an ambulatory care setting. Visits have exceeded 250,000 annually without the Emergency Room volume.

BUDGET HISTORY



PERFORMANCE HISTORY

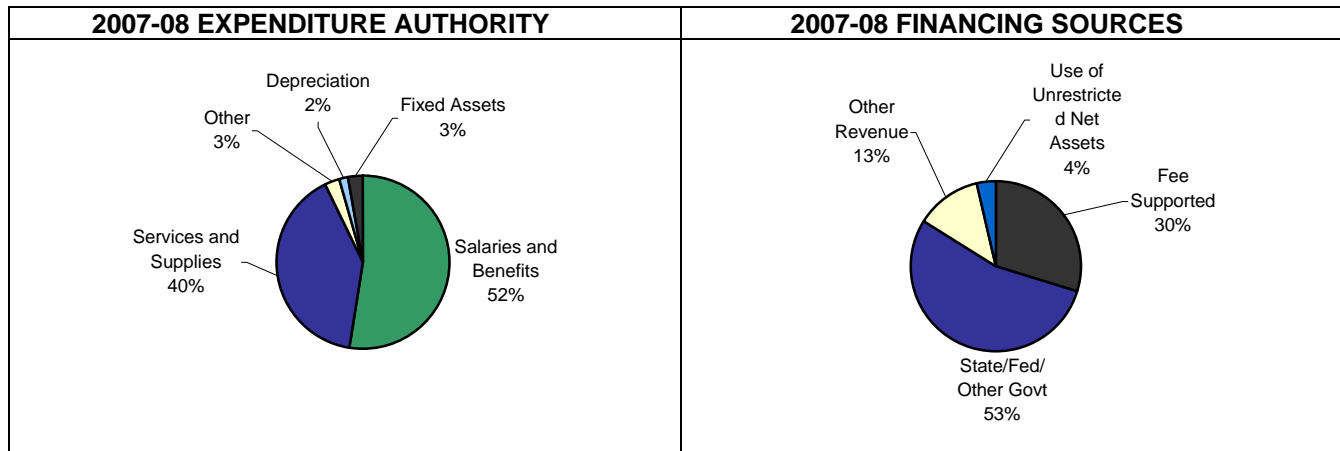
	2003-04 Actual	2004-05 Actual	2005-06 Actual	2006-07 Modified Budget	2006-07 Actual
Appropriation	285,852,123	307,053,858	338,756,350	355,638,294	360,589,659
Departmental Revenue	280,930,687	303,214,159	325,302,143	352,029,875	352,805,258
Revenue Over/(Under) Exp	(4,921,436)	(3,839,699)	(13,454,207)	(3,608,419)	(7,784,401)
Budgeted Staffing				2,683.4	
Fixed Assets	1,640,973	1,314,030	1,539,482	2,608,113	2,468,254

Appropriation for 2006-07 is \$360,589,659 versus a modified budget of \$355,638,294. This is an unfavorable variance of \$4,951,365 and is primarily related to physician fees and supply expenses. There was an aggressive plan to reduce supply expense over the course of the year that did not materialize. The plan included the review of distribution processes of supplies to various hospital departments, cost analysis of existing supplies contracts, and an assessment of materials management infrastructure and staff. These components are now being implemented and incorporated into the 2007-08 budget.

Departmental revenue for 2006-07 reflects an increase of \$775,383 over modified budget primarily due to the unanticipated receipt of the SB 1100 Medi-Cal funding adjustment. Realignment is currently funding departmental revenue at a level \$4,429,906 over budget. ARMC administration is currently analyzing this funding deficit.



ANALYSIS OF FINAL BUDGET



GROUP: Administrative/Executive
DEPARTMENT: Arrowhead Regional Medical Center
FUND: Medical Center

BUDGET UNIT: EAD MCR
FUNCTION: Health and Sanitation
ACTIVITY: Hospital Care

	2003-04 Actual	2004-05 Actual	2005-06 Actual	2006-07 Actual	2006-07 Final Budget	2007-08 Final Budget	Change From 2006-07 Final Budget
Appropriation							
Salaries and Benefits	139,529,219	154,101,291	175,477,648	191,107,523	190,163,232	196,727,735	6,564,503
Services and Supplies	122,188,037	130,590,559	146,463,897	151,305,402	144,025,461	149,992,752	5,967,291
Central Computer	587,180	773,607	910,103	1,075,193	1,075,193	1,283,275	208,082
Other Charges	955,137	1,092,532	1,026,124	1,023,734	1,120,937	849,907	(271,030)
Transfers	900,656	905,863	974,489	1,144,292	1,149,440	1,573,867	424,427
Total Exp Authority	264,160,229	287,463,852	324,852,261	345,656,144	337,534,263	350,427,536	12,893,273
Reimbursements	-	-	-	(5,000)	-	-	-
Total Appropriation	264,160,229	287,463,852	324,852,261	345,651,144	337,534,263	350,427,536	12,893,273
Depreciation	11,012,812	6,049,319	5,904,089	5,927,187	6,216,532	5,723,967	(492,565)
Operating Transfers Out	10,679,082	13,540,687	8,000,000	9,011,328	8,812,500	8,000,000	(812,500)
Total Requirements	285,852,123	307,053,858	338,756,350	360,589,659	352,563,295	364,151,503	11,588,208
Departmental Revenue							
Use of Money and Prop	-	683	126	(125)	-	-	-
State, Fed or Gov't Aid	179,182,389	192,662,185	181,560,624	201,726,300	206,320,263	202,980,939	(3,339,324)
Current Services	84,686,128	84,747,673	93,242,062	99,837,741	98,916,441	111,540,583	12,624,142
Other Revenue	578,570	6,174,868	10,814,880	4,854,160	4,473,197	4,530,828	57,631
Total Revenue	264,447,087	283,585,409	285,617,692	306,418,076	309,709,901	319,052,350	9,342,449
Operating Transfers In	16,483,600	19,628,750	39,684,451	46,387,182	39,187,500	42,576,099	3,388,599
Total Financing Sources	280,930,687	303,214,159	325,302,143	352,805,258	348,897,401	361,628,449	12,731,048
Rev Over/(Under) Exp	(4,921,436)	(3,839,699)	(13,454,207)	(7,784,401)	(3,665,894)	(2,523,054)	1,142,840
Budgeted Staffing					2,683.4	2,656.0	(27.4)
Fixed Assets							
Equipment	1,201,198	961,224	1,039,732	1,126,356	1,000,000	9,227,997	8,227,997
L/P Equipment	439,775	352,806	499,750	1,341,898	1,550,638	1,664,795	114,157
Total Fixed Assets	1,640,973	1,314,030	1,539,482	2,468,254	2,550,638	10,892,792	8,342,154

Salaries and benefits of \$196,727,735 fund 2,656 positions and are increasing by \$6,564,503 primarily resulting from \$3,021,066 in annual step increases, \$1,774,247 increase in retirement benefits and other costs associated with MOU rate adjustments. Staffing decreased by 27.4 primarily due to a decrease of 16.0 Radiology Program Trainees/Interns (interns in this program are no longer compensated), a transfer of 2.0 Human Resource Officers to the County Human Resources Department, a decrease of 6.5 nursing positions to cover additional costs associated with the mid-year conversion of per-diem registered nursing positions to regular positions, and the remaining net decrease of 2.9 due to various staffing adjustments based on departmental needs.

Services and supplies of \$149,992,752 includes \$49,899,272 for contracted services such as physicians and other professional services, \$56,089,818 for medical and pharmacy supplies, \$7,178,076 for malpractice insurance, with the balance of \$36,825,586 for other operational expenses such as utilities, insurance,



equipment, maintenance and leases. The net increase of \$5,967,291 is primarily due to a \$2,408,095 increase in physicians' contracts and a \$3,108,655 increase for medical and pharmacy supplies.

Other charges of \$849,907 represents payments to non-contracted Medically Indigent providers and the decrease of \$271,030 is primarily due to the increased utilization of our contracted providers.

Transfers of \$1,573,867 includes \$948,695 for the salaries and benefits costs associated with a Human Resources Officer (HRO) I and II and the hospital's shared portion of the costs for a Healthcare Division IS Chief, and the remaining \$625,172 is primarily for office lease space. The increase of \$424,427 is due to the transfer of the two HRO's from the hospital's budget to Human Resources. The hospital now transfers funds to cover these positions.

Depreciation of \$5,723,967 represents forecasted depreciation for existing equipment of \$5,073,967 plus an additional \$650,000 for budgeted equipment purchases. Equipment is depreciated over the Medicare recommended useful life utilizing the straight-line method. To date, ARMC has not set aside or budgeted funds for equipment replacement at the same rate of depreciation. As a result, equipment replacement costs will be have a negative impact on operations now and in years to come as equipment reaches the end of its useful life. The decrease of \$492,565 reflects equipment that has been fully depreciated.

Operating transfers out of \$8,000,000 is for the Medical Center Debt Service and represents ARMC's contribution from operations. The decrease of \$812,500 is due to a decrease in transfers to the Architecture and Engineering Department for capital improvement projects completed in 2006-07. A detailed description of the Medical Center Debt Service is available in the County Administrative Office's Medical Center Lease Payments budget unit on page 117.

Revenue in the amount \$319,052,350 includes \$202,980,939 in state and federal aid primarily from Medi-Cal and Medicare, \$111,540,583 in current services from private pay patients and insurance, and \$4,530,828 in other revenue from cafeteria sales, interest, miscellaneous grants, and services provided to other county departments and hospitals. State Aid includes \$148,940,665 in Medi-Cal Inpatient revenue (SB 1100), an increase of \$2,858,398; \$17,831,634 in Medi-Cal Outpatient, a decrease of \$1,713,325; \$1,337,327 in State Health Administration funds; and \$735,397 in other state aid. The decrease in outpatient revenue is due to the correction of methodology in forecasting patient volume as used in 2006-07, patient volume for 2007-08 is not decreasing. federal aid includes \$26,004,560 of Medicare Inpatient revenue, a \$3,551,727 decrease; \$7,419,359 of Medicare Outpatient revenue, a \$1,043,028 decrease; and \$711,997 of grant revenue for the purchase of a linear accelerator. The decreases of both inpatient and outpatient Medicare revenue is due to the correction of methodology in forecasting patient volume and revenue in 2006-07, patient volume for 2007-08 is not decreasing. Current services revenue includes \$61,842,787 of commercial insurance inpatient revenue, an increase of \$7,193,270; \$20,703,924 in health services fees, an increase of \$1,377,659; \$16,133,117 in commercial insurance outpatient revenue, an increase of \$5,070,742; \$9,353,247 from both inpatient and outpatient private pay; and \$3,507,508 in Institute Care and Services revenue. The increase in commercial insurance revenue is primarily due to an anticipated 7% insurance rate increase. The net increase of \$9,342,449 is primarily due to the adjustments detailed above.

Operating transfers in of \$42,576,099 reflect the Realignment contribution to the operations of the hospital and includes \$34,820,000 for operations, \$2,550,000 for the Medically Indigent program, \$2,292,000 in one-time funding for the purchase of a linear accelerator, \$1,724,000 in one-time funding for the purchase of an open MRI, and \$1,190,099 in one-time funding for the automated pharmacy program. The allocation of realignment for operations of \$34,820,000 was decreased by \$1.0 million from 2006-07 due to the additional funding being one-time funds and not ongoing.

Currently, ARMC has an operating deficit of \$2,523,054. ARMC Administration will continue to analyze current operations to identify additional areas of cost savings and available funding to mitigate this shortfall. This shortfall can be primarily attributed to the lack of cost containment over the last few years, failure to budget and plan for necessary equipment replacement, and an increase in contracted physician expenses. Upon the identification of the key areas of concern, ARMC will devise a plan for immediate action including an evaluation of staffing allocations, clinical programs, revenue maximization, cost initiatives including services and supplies, and the review of administrative and operational flows. In the event ARMC Administration is not able to mitigate this operating deficit, realignment revenue is available, however these funds are programmed for the ARMC Campus reconfiguration and the project's funding could be jeopardized.

Fixed assets of \$10,892,792 include \$9,227,997 for equipment and \$1,664,795 for lease purchase equipment. Equipment includes \$3,003,997 for the purchase of a linear accelerator, \$1,724,000 for the purchase of an open MRI and \$4,500,000 to replace aging equipment that has been in place since the opening of the facility in March 1999.

PERFORMANCE MEASURES			
Description of Performance Measure	2006-07 Projected	2006-07 Actual	2007-08 Projected
Percentage decrease in ER patients leaving without being seen (10,950 patients in 2005-06, 4837 in 2006-07).	16%	56%	25%
Tattoos removed at clinic (Clinic opened May 23, 2007, 81 removals performed for 2006-07).	New	81	500
Percentage increase in outpatient rehab volume (18,860 visits in 2005-06, no increase in 2006-07, in process of joining Medical Provider Network).	New	New	5%
Percentage increase in number of deliveries (3780 in 2005-06, 3975 in 2006-07).	≤1%	5%	3%
Separate billing for Direct Observation Unit (admits to unit, not in %, opened in February 2007).	New	244	1500
Percentage decrease in third party nurse staffing assistance (3.4 million spent in 2005-06, 1.6 million in 2006-07).	25%	53%	14%
Improvement in Patient Satisfaction scores from patient questionnaires (based on overall patient satisfaction where > 81.61% is desired).	83%	84%	83%



Tobacco Tax Funds

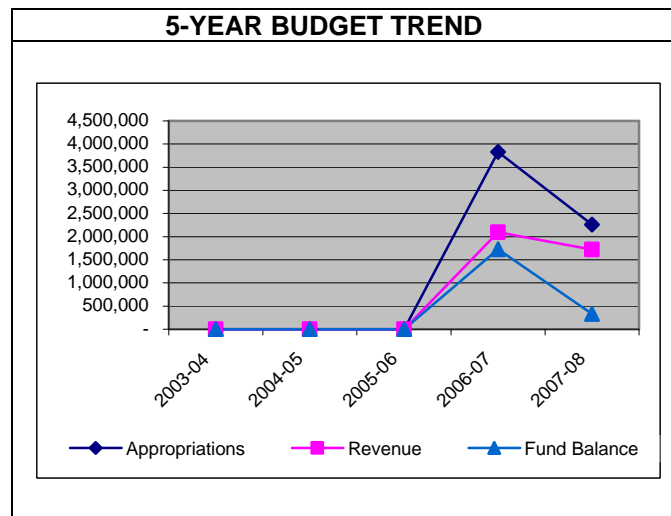
DESCRIPTION OF MAJOR SERVICES

In November 1988, California Voters approved the California Tobacco Health Protection Act of 1988, also known as Proposition 99. This referendum increased the state cigarette tax by 25 cents per pack and added an equivalent amount on other tobacco products. The new revenues were earmarked for programs to reduce smoking, to provide health care services to indigents, to support tobacco-related research, and to fund resource programs for the environment.

Arrowhead Regional Medical Center (ARMC) established the county tobacco tax funds in Fiscal Year 1989-90 to facilitate the transfer of Tobacco Tax monies to the county hospital, non-county hospitals, and physicians, when notified and as required by the State.

There is no staffing associated with this budget unit.

BUDGET HISTORY



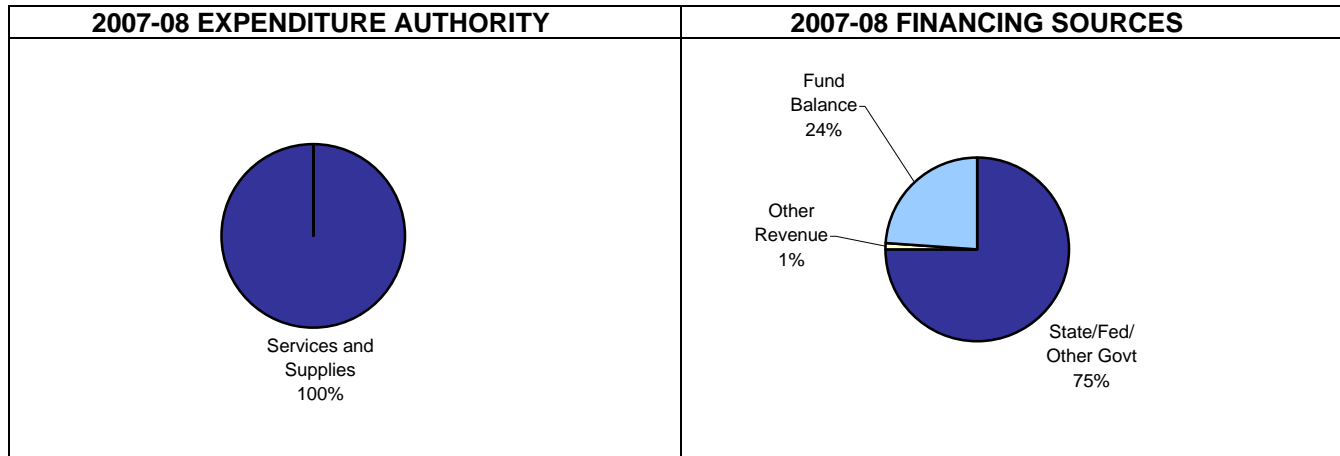
PERFORMANCE HISTORY

	2003-04 Actual	2004-05 Actual	2005-06 Actual	2006-07 Modified Budget	2006-07 Actual
Appropriation	2,412,872	1,531,718	1,409,364	3,827,366	2,885,810
Departmental Revenue	1,742,696	1,483,549	2,978,137	2,096,924	1,695,595
Fund Balance				1,730,442	

In accordance with Section 29009 of the State Government Code, the entire unreserved fund balance must be appropriated each year. The amount not expended is carried over to the subsequent year's budget. Expenditures were less than modified budget due to the state requiring a decreased allocation to contracted physicians and hospitals. This reduction was partially offset by an increased services and supplies disbursement. Departmental revenue was less than budgeted due to an unanticipated lower level of funding from the state.



ANALYSIS OF FINAL BUDGET



GROUP: Administrative/Executive
DEPARTMENT: Arrowhead Regional Medical Center
FUND: Tobacco Tax Funds

BUDGET UNIT: RGA through RGR, RHB
FUNCTION: Health and Sanitation
ACTIVITY: Hospital Care

	2003-04 Actual	2004-05 Actual	2005-06 Actual	2006-07 Actual	2006-07 Final Budget	2007-08 Final Budget	Change From 2006-07 Final Budget
Appropriation							
Services and Supplies	2,412,872	1,531,718	1,407,500	2,885,810	3,344,714	2,258,056	(1,086,658)
Transfers	-	-	1,864	-	-	-	-
Contingencies	-	-	-	-	482,652	-	(482,652)
Total Appropriation	2,412,872	1,531,718	1,409,364	2,885,810	3,827,366	2,258,056	(1,569,310)
Departmental Revenue							
Use of Money and Prop	14,584	4,796	20,673	53,142	45,000	24,600	(20,400)
State, Fed or Gov't Aid	1,727,418	1,478,753	2,955,601	1,642,453	2,051,924	1,693,228	(358,696)
Other Revenue	694	-	-	-	-	-	-
Other Financing Sources	-	-	1,863	-	-	-	-
Total Revenue	1,742,696	1,483,549	2,978,137	1,695,595	2,096,924	1,717,828	(379,096)
Fund Balance					1,730,442	540,228	(1,190,214)

Services and supplies of \$2,258,056 represent anticipated amounts determined by the state and allocated to contracted hospitals and physicians. The decrease of \$1,086,658 for 2007-08 represents the annual disbursements leveling off to anticipated annual amounts.

Contingencies were not budgeted and decreased by \$482,652 based on available fund balance.

Departmental revenue in the amount of \$1,717,828 includes \$1,693,228 from the State and \$24,600 in interest. The decrease of \$379,096 primarily represents an anticipated reduction in program funding from the state.



Archstone Foundation Grant

MISSION STATEMENT

The medical staff of Arrowhead Regional Medical Center (ARMC), developed and operate ARMC's Dependent Adult and Elder Abuse Program that is funded with Archstone Foundation grant monies.

STRATEGIC GOALS

1. Establish a coordinating body representing leadership from ARMC, Department of Aging and Adult Services, and the District Attorney Elder Abuse Unit.
2. Develop internal and external training for program professionals and key members of an interdisciplinary team.
3. Develop a mechanism for ongoing referral of dependent adults and elders suspected of being mistreated from local protective agencies to ARMC medical team for the purpose of assessment and treatment.
4. Establish a multidisciplinary team meeting schedule.

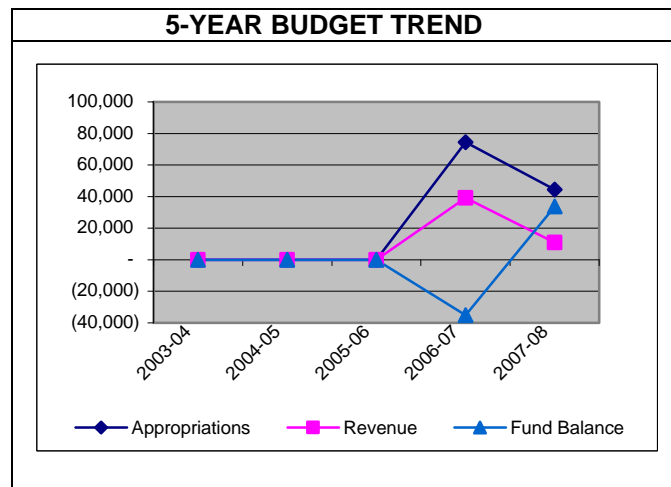
DESCRIPTION OF MAJOR SERVICES

Arrowhead Regional Medical Center (ARMC) established this fund in 2005-06 to facilitate the receipt of grant funds from the Archstone Foundation. The Archstone Foundation is a private grant-making organization, whose mission is to contribute towards the preparation of society in meeting the needs of an aging population. The grant was issued to provide ARMC with the resources necessary to incorporate a medical consultation element into existing county efforts in the area of elder abuse and neglect. The funds are required to be deposited into interest-bearing accounts, with all proceeds to be spent on prevention and detection of elder abuse and neglect.

ARMC anticipates receiving a total of \$81,913, plus interest, for the two-year program, and is projecting receipts of \$10,802 in 2007-08. All funds received are expected to be distributed by the end of 2007-08.

There is no staffing associated with this budget unit.

BUDGET HISTORY

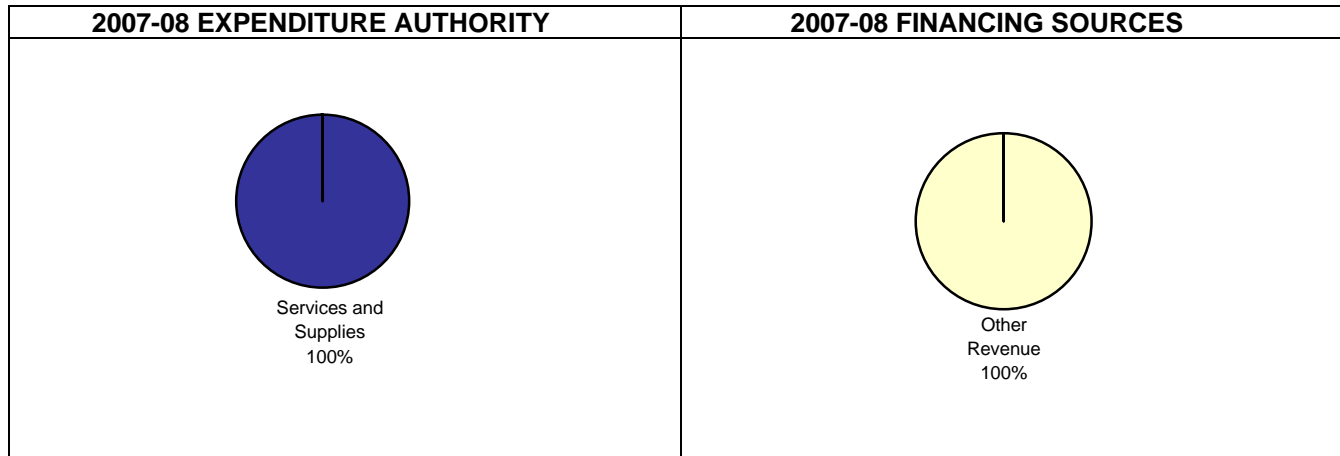


PERFORMANCE HISTORY

	2003-04 Actual	2004-05 Actual	2005-06 Actual	2006-07 Modified Budget	2006-07 Actual
Appropriation	-	-	-	74,411	41,791
Departmental Revenue	-	-	35,105	39,306	40,393
Fund Balance				35,105	



ANALYSIS OF FINAL BUDGET



GROUP: Administrative/Executive
DEPARTMENT: Arrowhead Regional Medical Center
FUND: Archstone Foundation Grant

BUDGET UNIT: RMT MCR
FUNCTION: Health and Sanitation
ACTIVITY: Hospital Care

	2003-04 Actual	2004-05 Actual	2005-06 Actual	2006-07 Actual	2006-07 Final Budget	2007-08 Final Budget	Change From 2006-07 Final Budget
Appropriation							
Services and Supplies	-	-	-	41,791	74,411	44,509	(29,902)
Total Appropriation	-	-	-	41,791	74,411	44,509	(29,902)
Departmental Revenue							
Use of Money and Prop	-	-	-	1,387	300	3,000	2,700
Other Revenue	-	-	35,105	39,006	39,006	7,802	(31,204)
Total Revenue	-	-	35,105	40,393	39,306	10,802	(28,504)
Fund Balance					35,105	33,707	(1,398)

Services and supplies of \$44,509 include payments to ARMC Geriatric team to cover expenses incurred for Archstone Foundation activities including salaries, travel, training and other incidental expenses. Expenses correlate to available grant funding.

Departmental revenue of \$10,802 includes grant receipts of \$7,802 and interest of \$3,000. The decrease of \$28,504 primarily represents a decrease in grant funding as the program is in its last year.



BEHAVIORAL HEALTH

Allan Rawland

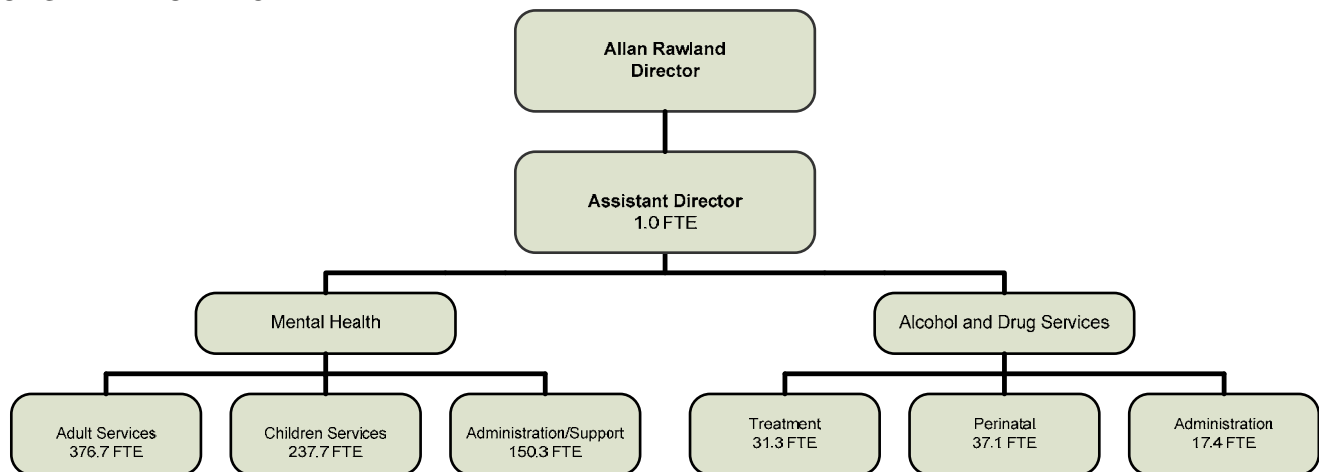
MISSION STATEMENT

The Department of Behavioral Health (DBH) will help individuals living with the problems of mental illness and substance abuse to find solutions to challenges they face so that they may function well within their families and the community. The DBH staff will be sensitive to and respectful of all clients, their families, culture and languages. The DBH will use the taxpayers' money wisely to meet its goals while following all governmental guidelines and requirements. The DBH will provide a pleasant workplace for its staff members so that they may be creative and effective in their jobs. The DBH will provide a pleasant environment for clients in which to receive services.

STRATEGIC GOALS

1. Increase access to Behavioral Health services for individuals that are unserved or who are receiving a limited level of services.
2. Increase customer service education for all county and contract staff that promotes the mission of the county and the department.
3. Increase access to community behavioral health services for adolescents with mental health illness who are involved in the juvenile justice system.
4. Increase cultural competency training for all county and contract staff that promotes the mission of the county and the department.
5. Integrate Mental Health and Alcohol and Drug Services into co-located clinics in order to increase client access to services and provide better care.

ORGANIZATIONAL CHART



SUMMARY OF BUDGET UNITS

	2007-08				
	Appropriation	Revenue	Local Cost	Fund Balance	Staffing
<u>General Fund</u>					
Behavioral Health	178,566,791	176,724,038	1,842,753		766.7
Alcohol and Drug Services	22,108,176	21,958,718	149,458		85.8
Total General Fund	200,674,967				852.5
<u>Special Revenue Funds</u>					
Mental Health Services Act	49,141,817	20,624,815		28,517,002	-
Driving Under the Influence Programs	316,662	122,000		194,662	-
Block Grant Carryover Program	7,186,110	1,384,560		5,801,550	-
Court Alcohol and Drug Program	1,108,779	391,000		717,779	-
Proposition 36	6,257,075	6,207,773		49,302	-
Total Special Revenue Funds	64,010,443	28,730,148	-	35,280,295	-
Total - All Funds	264,685,410			35,280,295	852.5

Detailed information for each budget unit follows, along with a description of the services provided, budget unit history and applicable performance measures.



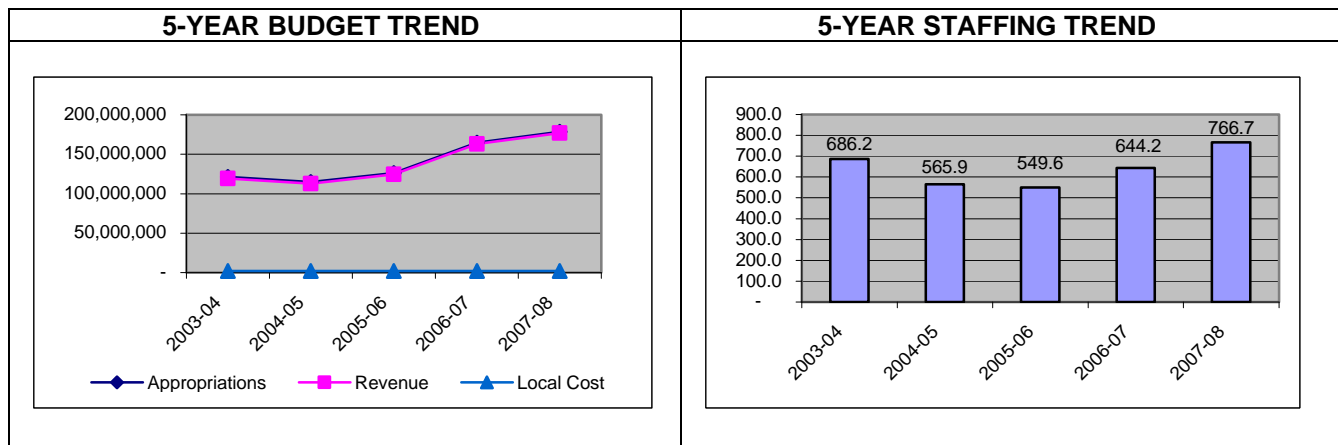
Behavioral Health

DESCRIPTION OF MAJOR SERVICES

The DBH is responsible for providing mental health services to county residents who are either unable to afford treatment or do not live in proximity to private services. Treatment is provided to all age groups, with primary emphasis placed on treating children, families and chronically mentally ill adults (in that priority). Services are delivered throughout the county via a network of department-operated clinics, community based contract providers (residential and psychiatric skilled nursing facilities and acute hospitals), public schools, and other community-based settings. Services include: information and referrals, community outreach, client self-help and support groups, a variety of children's programs, mentally ill homeless program, employment services, case management, crisis and transitional residential assistance, augmented board and care placements, conservatorship services, supportive housing services and client transportation assistance. The department also operates as a training setting by administering various internship programs and offering continuing education for licensed department and contractor staff.

The Mental Health Services Act of 2005 (MHSA), passed by the California voters in November 2004, has given San Bernardino County and the Department of Behavioral Health the opportunity to build a "system of care and treatment" that will efficiently and effectively serve all clients, especially to ensure access to behavioral health services for populations and individuals that are unserved or who are receiving a limited level of services from the present programs due to the lack of adequate funding and/or the various restrictions on the use of those funds. The particular populations include individuals who are homeless and/or incarcerated in jails or juvenile halls, who are in out-of-home and out-of-county placements, isolated in their homes, failing in school, or in other institutional care facilities. These populations also include individuals and families who are from racial and ethnic communities who are not adequately served by the behavioral health system.

BUDGET HISTORY



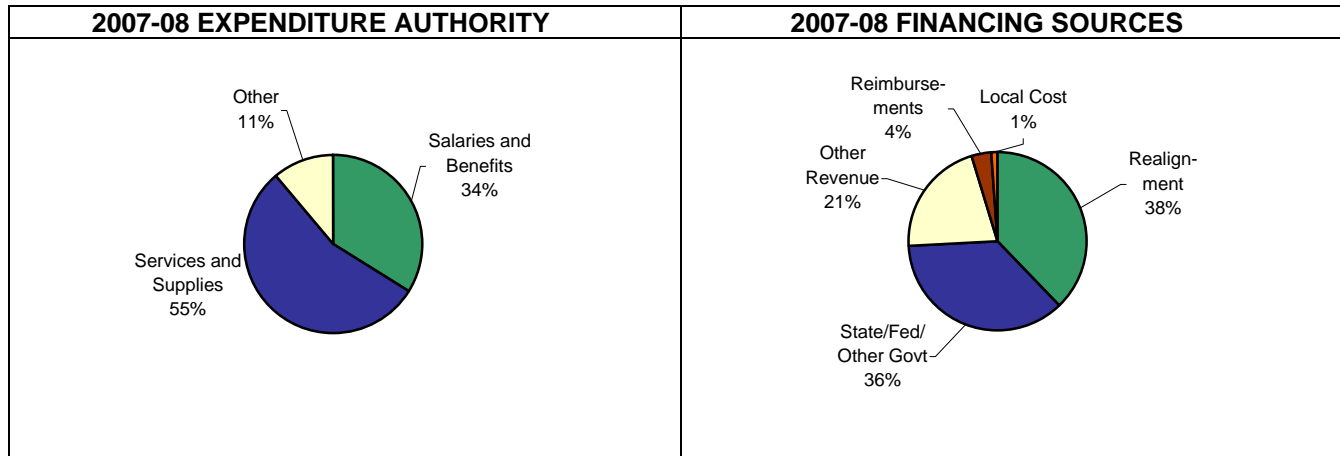
PERFORMANCE HISTORY

	2003-04 Actual	2004-05 Actual	2005-06 Actual	2006-07 Modified Budget	2006-07 Actual
Appropriation	117,902,648	111,570,782	119,212,075	165,297,692	131,188,977
Departmental Revenue	116,059,895	109,020,466	117,369,322	163,454,939	129,346,228
Local Cost	1,842,753	2,550,316	1,842,753	1,842,753	1,842,749
Budgeted Staffing				644.2	

Appropriation and departmental revenue for 2006-07 are less than modified budget primarily due to: (1) salary savings resulting from staff turnover, delays in filling positions and delays in establishing new MHSA funded programs, (2) contracted services are less than estimated due to delays in contracting for new MHSA funded programs, and (3) full Implementation of MHSA programs is not expected to occur this fiscal year as anticipated.



ANALYSIS OF FINAL BUDGET



GROUP: Administrative/Executive
DEPARTMENT: Behavioral Health
FUND: General

BUDGET UNIT: AAA MLH
FUNCTION: Health & Sanitation
ACTIVITY: Hospital Care

	2003-04 Actual	2004-05 Actual	2005-06 Actual	2006-07 Actual	2006-07 Final Budget	2007-08 Final Budget	Change From 2006-07 Final Budget
Appropriation							
Salaries and Benefits	42,328,702	38,684,994	41,926,392	49,512,735	54,051,968	62,941,126	8,889,158
Services and Supplies	62,786,823	60,247,931	66,401,328	69,193,127	98,865,273	101,201,834	2,336,561
Central Computer	407,902	523,431	520,717	640,543	640,543	677,544	37,001
Other Charges	5,148,542	4,799,719	3,806,988	3,481,153	4,282,033	5,604,960	1,322,927
Equipment	-	-	66,172	71,662	80,800	91,200	10,400
Vehicles	-	-	-	347,619	590,000	288,091	(301,909)
L/P Struct/Equip/Vehicles	-	-	-	-	-	1,992,120	1,992,120
Transfers	4,511,462	4,609,161	4,940,050	5,824,191	5,619,797	6,420,441	800,644
Total Exp Authority	115,183,431	108,865,236	117,661,647	129,071,030	164,130,414	179,217,316	15,086,902
Reimbursements	(3,998,290)	(4,477,326)	(5,190,283)	(5,112,708)	(5,668,925)	(7,091,277)	(1,422,352)
Total Appropriation	111,185,141	104,387,910	112,471,364	123,958,322	158,461,489	172,126,039	13,664,550
Operating Transfers Out	6,717,507	7,182,872	6,740,711	7,230,655	6,360,753	6,440,752	79,999
Total Requirements	117,902,648	111,570,782	119,212,075	131,188,977	164,822,242	178,566,791	13,744,549
Departmental Revenue							
Use of Money and Prop	-	-	-	84	-	-	-
Realignment	62,415,095	41,823,063	52,080,249	60,228,662	67,252,313	70,019,971	2,767,658
State, Fed or Gov't Aid	52,670,737	65,324,545	63,544,174	62,989,362	66,494,882	67,558,106	1,063,224
Current Services	306,141	200,403	237,453	186,239	190,156	190,156	-
Other Revenue	645,202	1,645,422	568,819	663,105	1,141,258	650,000	(491,258)
Other Financing Sources	22,720	27,033	-	-	-	-	-
Total Revenue	116,059,895	109,020,466	116,430,695	124,067,452	135,078,609	138,418,233	3,339,624
Operating Transfers In	-	-	938,627	5,278,776	27,900,880	38,305,805	10,404,925
Total Financing Sources	116,059,895	109,020,466	117,369,322	129,346,228	162,979,489	176,724,038	13,744,549
Local Cost	1,842,753	2,550,316	1,842,753	1,842,749	1,842,753	1,842,753	-
Budgeted Staffing					644.2	766.7	122.5

Salaries and benefits of \$62,941,126 fund 766.7 positions, of which \$12,499,881 and 156.3 positions are funded by the MHSA. An increase of \$8,889,158 has been included to fund full-year cost of positions added during the fiscal year which increased budgeted staffing by 77.5, MOU and step increases, as well as 45.0 new positions primarily for MHSA for 2007-08.



Services and supplies of \$101,201,834 include \$73,819,422 in contracts with approximately \$19.0 million or 25% funded by MHSA, \$4,302,150 for the managed care fee-for-service network, \$4,534,548 for remote pharmacy services for indigents and jail population without third party insurance, \$2,229,635 for Incorporated Doctor payments, \$2,034,165 for CCS Treatment, \$4,694,280 for inventoriable equipment with approximately 80% for MHSA funded programs and 20% for DBH annual one-third replenishment plan, and the balance for services and supplies necessary to conduct routine departmental business. The increase of \$2,336,561 is primarily due to one-time purchases of non-inventoriable equipment and increases in other professional services.

Other charges of \$5,604,960 include \$2,237,531 in MHSA funding for client temporary housing and transportation and \$3,351,799 for State Hospital contracts. An increase of \$1,322,927 is primarily due to anticipation of full implementation of the MHSA plan and the increased need for housing and transportation.

Equipment of \$91,200 is budgeted for the purchase of new and replacement servers necessary to maintain the department Information Technology functions and six scanners that will be purchased to continue the department's efforts in reducing paper records.

Vehicle in the amount of \$288,091 is for the purchase of 10 vehicles for MHSA programs as part of the state contract, primarily Children's Crisis Response Team (CCRT) and the Older Adult program. The decrease of \$301,909 is due to the overall decrease in MHSA program need for vehicles since last year.

Capitalized Software of \$1,992,120 includes appointment scheduler, data mining, Geographical Information System and touch screen technology software for the MHSA program. These expenses are one-time in nature and were not budgeted in 2006-07. They are included this year for the full implementation of the MHSA program.

Transfers out of \$6,420,441 include \$4,665,285 for rents and leases, \$1,273,675 to reimburse Public Guardian for administration for conservatees, and other reimbursements to county departments primarily for salaries and benefits charges. The increase of \$800,644 includes increases of rents and leases, services provided by Human Resources such as advertising, and costs associated with the Alcohol and Drug Services and Offender Treatment Programs.

Reimbursements of \$7,091,277 include \$4,036,333 costs associated with the CalWORKs program, \$1,900,403 for administrative support and facility rent to Alcohol and Drug funded programs and \$1,154,541 for the Juvenile and Adult Mentally Ill Offender Crime Reduction grants. The increase of \$1,422,352 is primarily due to overall cost increases associated with various programs.

Operating transfers out of \$6,440,752 includes \$4,597,999 for managed care fee-for-service psychiatric inpatient services and \$1,842,753 for local cost offset. The increase of \$79,999 is due to cost increases associated with the managed care fee-for-service program.

Realignment of \$70,019,971 includes an increase of \$2,767,658 due to increases in COWCAP, salaries and benefits, MOU, and contracts.

State aid of \$63,859,200 includes Managed Care of \$11,040,135, Medi-Cal of \$38,882,262, EPSDT of \$9,500,000, Conditional Release Program of \$1,024,917, AB 2034 Homeless Recovery of \$1,031,400, Superintendent of Schools AB 2726 of \$1,180,486, SB 90 Mandated Cost Reimbursement \$1,000,000, and First 5 funding for the Screening, Assessment, Referral & Treatment of \$200,000. Federal aid of \$219,393 includes Medicare inpatient services. Other governmental aid of \$3,479,513 includes SAMSHA block grant and PATH funding.

Charges for current services of \$190,156 primarily include health fees and private pay patient funds. Other revenue of \$650,000 includes Social Security reimbursements.

Operating transfers in of \$38,305,805 include MHSA transfers for full-year salary and benefit costs, contracts and service expansions in all existing DBH clinics. The increase of \$10,404,925 is due to 2007-08 being the first full year of MHSA programs being fully operational.



PERFORMANCE MEASURES			
Description of Performance Measure	2006-07 Projected	2006-07 Actual	2007-08 Projected
Percentage decrease of admissions & bed days used in an institutional setting.	10%	1%	10%
Percentage of contract providers that successfully completed customer service training.	25%	32%	100%
Number of departmental employees certified to train department employees and contract providers in the CA. Brief Multi-Cultural Competency training.	New	New	10 employees
Percentage of clinic employees and contract providers that successfully complete the CA. Brief Multi-Cultural Competency training.	New	New	20%
Percentage increase in the penetration rate of ethnic and linguistic specific groups.	New	New	10%
Percentage of adolescents with mental illness and their families transitioning from Juvenile Hall receiving wraparound behavioral health services and supports in the community.	25%	4%	20%
Obtain required State Department of Alcohol & Drug & Medi-Cal certifications for the selected pilot clinic.	New	New	By December 2007
Percentage of staff receiving two in-depth intensive training sessions on evidence-based practices for treating co-occurring disorders.	New	New	75%



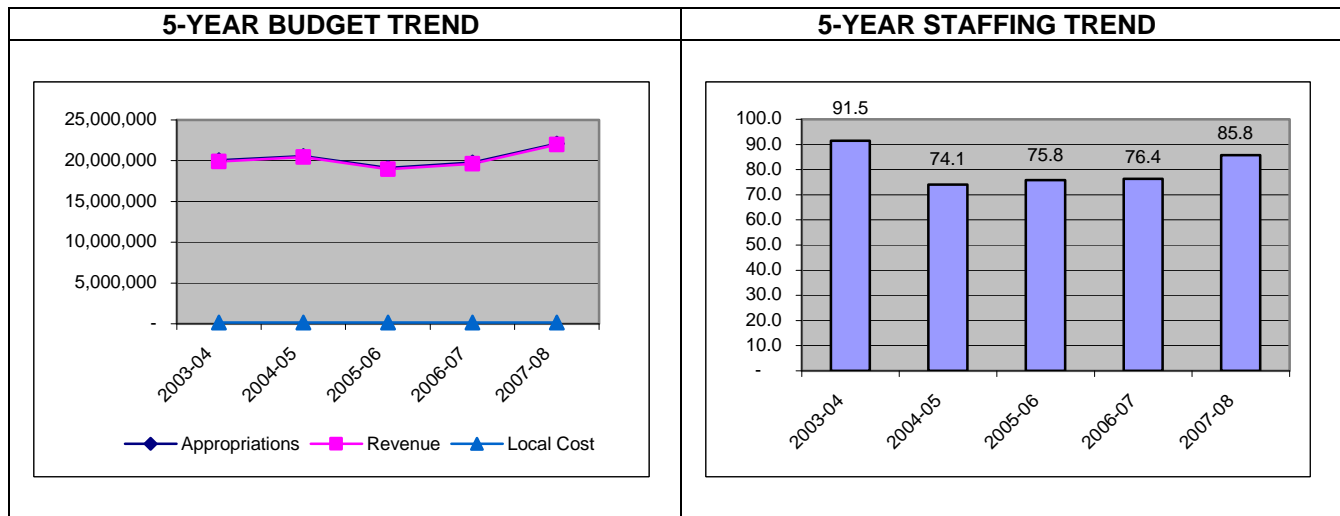
Alcohol and Drug Services

DESCRIPTION OF MAJOR SERVICES

The DBH Alcohol and Drug Services (ADS) program consists of comprehensive substance abuse prevention and treatment programs to county residents. Services are provided by 6 county operated clinics and approximately 30 contractors. The major components include outpatient, residential, prevention, methadone, and case management services. Annually, approximately 12,500 clients are served and over 80,000 hours of prevention services are performed.

Alcohol and Drug Services are primarily funded by federal block grant and state revenues (62%). The remaining sources of revenue are court fines for Driving Under the Influence (DUI) offenses, fees for services, San Bernardino County Administrative/Executive 2007-08 Business Plan Behavioral Health 53 and reimbursements provided by Human Services System (HSS) CalWORKs program and the Proposition 36 (Prop. 36) – Substance Abuse and Crime Prevention Act program. In addition, the county must fund the required maintenance of effort (MOE) for the block grant and state funds. The department's local cost of \$149,458 finances the required MOE.

BUDGET HISTORY

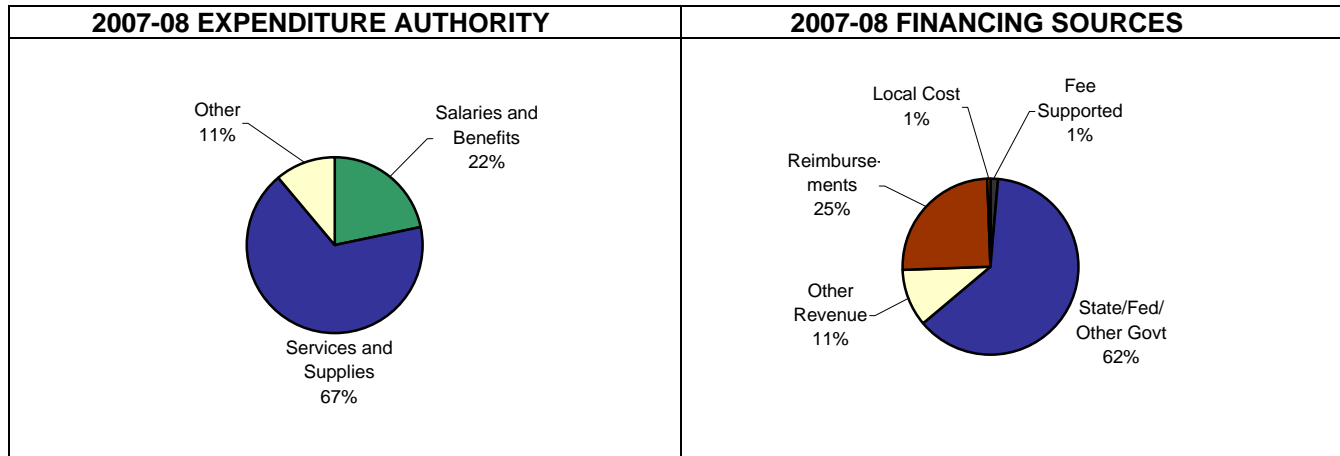


PERFORMANCE HISTORY

	2003-04 Actual	2004-05 Actual	2005-06 Actual	2006-07 Modified Budget	2006-07 Actual
Appropriation	19,218,436	19,050,106	17,372,212	20,513,091	21,516,625
Departmental Revenue	19,068,977	18,900,649	17,222,754	20,363,633	21,367,167
Local Cost	149,459	149,457	149,458	149,458	149,458
Budgeted Staffing				76.4	



ANALYSIS OF FINAL BUDGET



GROUP: Administrative/Executive
DEPARTMENT: Alcohol & Drug Services
FUND: General

BUDGET UNIT: AAA ADS
FUNCTION: Health & Sanitation
ACTIVITY: Hospital Care

	2003-04 Actual	2004-05 Actual	2005-06 Actual	2006-07 Actual	2006-07 Final Budget	2007-08 Final Budget	Change From 2006-07 Final Budget
Appropriation							
Salaries and Benefits	4,228,395	3,835,104	4,366,585	5,201,388	5,492,505	6,372,443	879,938
Services and Supplies	18,394,226	18,997,932	18,133,430	19,415,952	18,250,405	19,731,871	1,481,466
Central Computer	-	-	-	-	-	64,518	64,518
Transfers	1,412,775	1,838,454	2,038,985	2,943,313	2,945,499	3,291,044	345,545
Total Exp Authority	24,035,396	24,671,490	24,539,000	27,560,653	26,688,409	29,459,876	2,771,467
Reimbursements	(4,816,960)	(5,621,384)	(7,166,788)	(6,044,028)	(6,905,538)	(7,351,700)	(446,162)
Total Appropriation	19,218,436	19,050,106	17,372,212	21,516,625	19,782,871	22,108,176	2,325,305
Departmental Revenue							
State, Fed or Gov't Aid	15,549,375	16,136,772	14,348,318	18,293,712	16,611,640	18,417,311	1,805,671
Current Services	354,411	399,153	387,089	404,283	353,000	402,000	49,000
Other Revenue	107,690	44,923	44,656	38,397	53,725	38,000	(15,725)
Total Revenue	16,011,476	16,580,848	14,780,063	18,736,392	17,018,365	18,857,311	1,838,946
Operating Transfers In	3,057,501	2,319,801	2,442,691	2,630,775	2,615,048	3,101,407	486,359
Total Financing Sources	19,068,977	18,900,649	17,222,754	21,367,167	19,633,413	21,958,718	2,325,305
Local Cost	149,459	149,457	149,458	149,458	149,458	149,458	-
Budgeted Staffing					76.4	85.8	9.4

Salaries and benefits of \$6,372,443 fund 85.8 positions and the increase of \$879,938 is primarily due to the addition of 9.4 new positions to monitor and provide technical assistance for contract and county providers, provide additional administrative support, and provide services in the perinatal programs. The increase will fund full-year cost of positions added during the fiscal year, MOU and step increases.

Services and supplies of \$19,731,871 include \$18,748,071 for other professional and specialized services such as residential, outpatient, prevention, recovery, drug court and housing contracts with the balance including other services and supplies necessary for conducting ADS program services. The increase of \$1,481,466 is primarily due to increases in residential and outpatient contracts.

Transfers of \$3,291,044 include reimbursements to other county departments for services provided such Public Health, Probation, and Courts, in addition to rents and salaries and benefits associated costs. The increase of \$345,545 is primarily due to new collaborative grants with Probation and the Superior Court of San Bernardino for the Offender Treatment and Dependency Drug Court programs.



Reimbursements of \$7,351,700 include transfers from other county departments that Department of Behavioral Health (DBH) provided services for such as the CalWORKs program and Department of Children Services. The increase of \$446,162 is due to an increase in CalWORKs reimbursements from Human Services.

Revenues of \$18,857,311 include state aid of \$6,782,274 such as Medi-Cal Outpatient, state aid for children, Dependency Drug Court Grant, and the Offender Treatment Program; federal aid of \$11,635,037 such as Proposition 36 and various grants; charges for current services of \$402,000, and other revenue of \$38,000. The increase of \$1,838,946 is primarily due to the Offender Treatment Program for full-year costs.

Operating transfers in of \$3,101,407 include DUI fines and transfers from DBH Driving Under the Influence Programs and Block Grant Carryover Program budget units for ADS related services. The increase of \$486,359 is primarily due to a prior year carryover from the Block Grant Carryover Program budget unit. ADS also receives local cost funding of \$149,458.



Mental Health Services Act

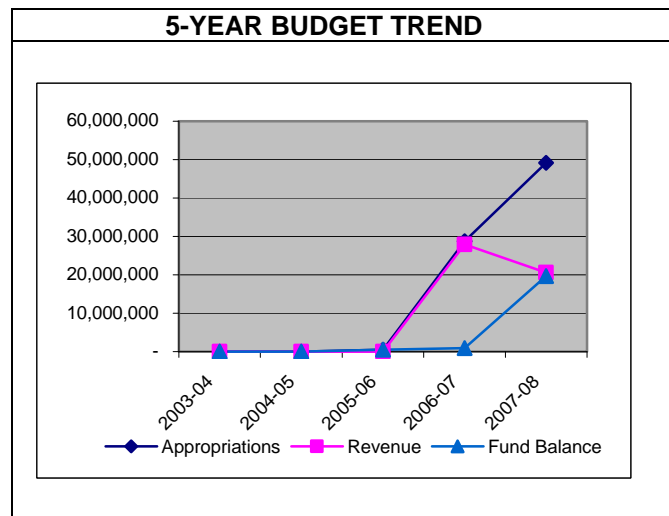
DESCRIPTION OF MAJOR SERVICES

On November 2, 2004, voters passed Proposition 63, which established a state personal income tax surcharge of one percent on the portion of taxpayers' annual taxable income that exceeds \$1 million. The proposition was enacted into law as the Mental Health Services Act (MHSA) effective January 1, 2005. The overall purpose and intent is "to reduce the long-term adverse impact on individuals, families, and state and local budgets resulting from untreated serious mental illness...to insure that all funds are expended in the most cost effective manner...and to ensure accountability to taxpayers and to the public".

This special revenue fund was established in 2005-06. In 2005-06, the state approved the department's three-year plan. One-time and ongoing state funds received from the state were deposited into the fund, and were transferred to the Mental Health budget (MLH) as needed to cover staffing and other costs. In 2007-08, the Department of Behavioral Health anticipates receipt of one-time and ongoing state funds of \$20.6 million. The funds will be deposited into the special revenue fund and will be transferred to MLH as needed to fund new and expanded programs outlined in the three-year plan.

There is no staffing associated with this budget unit. This fund does not directly spend funds or provide services. It is strictly a financing budget with actual expenditures occurring within the operating budget unit of Behavioral Health (MLH).

BUDGET HISTORY

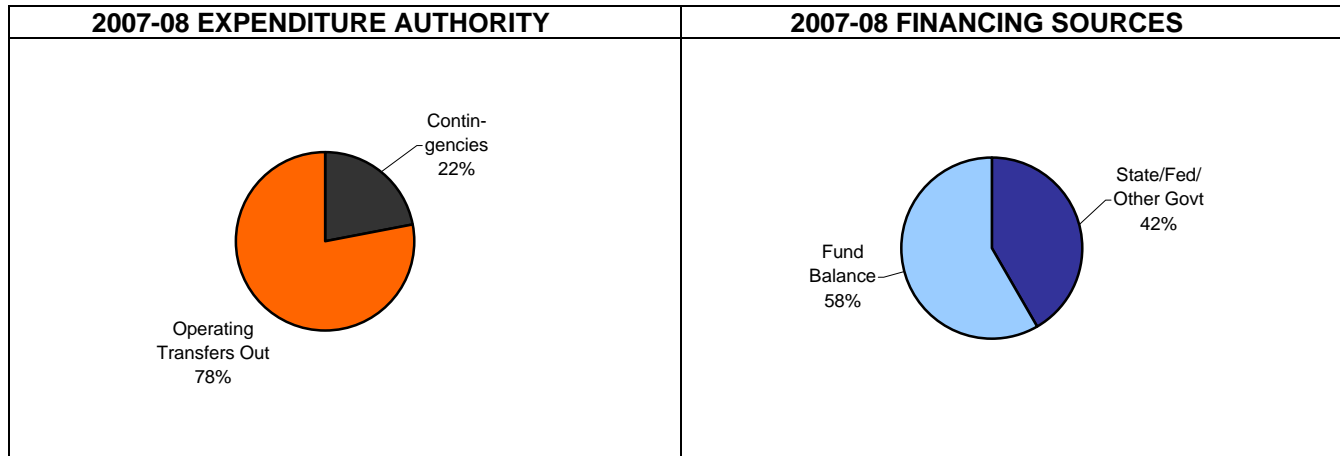


PERFORMANCE HISTORY

	2003-04 Actual	2004-05 Actual	2005-06 Actual	2006-07 Modified Budget	2006-07 Actual
Appropriation	-	20,767	938,627	28,786,612	5,278,776
Departmental Revenue	-	557,971	1,287,155	27,900,880	32,910,045
Fund Balance				885,732	



ANALYSIS OF FINAL BUDGET



GROUP: Administrative/Executive
DEPARTMENT: Behavioral Health
FUND: MHSA Prop 63

BUDGET UNIT: RCT MLH
FUNCTION: Health & Sanitation
ACTIVITY: Hospital Care

	2003-04 Actual	2004-05 Actual	2005-06 Actual	2006-07 Actual	2006-07 Final Budget	2007-08 Final Budget	Change From 2006-07 Final Budget
Appropriation							
Contingencies	-	-	-	-	885,732	10,836,012	9,950,280
Total Appropriation	-	-	-	-	885,732	10,836,012	9,950,280
Operating Transfers Out	-	20,767	938,627	5,278,776	27,900,880	38,305,805	10,404,925
Total Requirements	-	20,767	938,627	5,278,776	28,786,612	49,141,817	20,355,205
Departmental Revenue							
Use of Money and Prop	-	225	19,844	620,745	-	175,534	175,534
State, Fed or Gov't Aid	-	-	1,267,311	32,289,300	27,900,880	20,449,281	(7,451,599)
Other Revenue	-	557,746	-	-	-	-	-
Total Revenue	-	557,971	1,287,155	32,910,045	27,900,880	20,624,815	(7,276,065)
Fund Balance					885,732	28,517,002	27,631,270

Contingencies of \$10,836,012 increased due to a higher undesignated fund balance.

Operating transfers out of \$38,305,805 includes transfers to the Department Behavioral Health's general fund budget unit to cover staffing and other costs associated with MHSA activities. The increase of \$10,404,925 represents full year costs for the MHSA program.

Departmental revenue of \$20,624,815 includes revenue received from the state for the MHSA program and interest revenue. The decrease of \$7,276,065 is primarily due to one-time start up funds received in 2006-07.



Driving Under the Influence Programs

DESCRIPTION OF MAJOR SERVICES

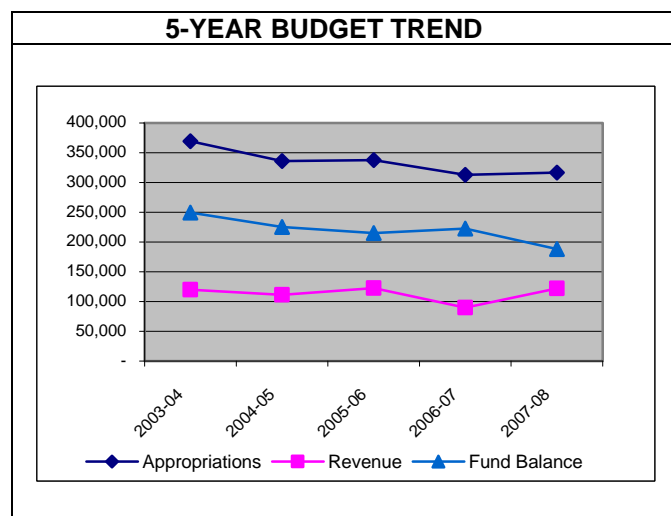
As per Title 9, Division 4, Chapter 3, 9878 (m) of the State regulations and Health and Safety Code 11837.8 (a), the Department of Behavioral Health charges fees to privately owned and operated vendors for monitoring Penal Code (PC) 1000 and Driving Under the Influence (DUI) programs. Supervision of these programs resides with the county as indicated by Vehicle Code Section 1660.7, which states that the supervision and regulation of the first offender program resides with the county.

Fees collected from privately owned and operated DUI programs within the county are deposited into this fund. Funds are then transferred to Alcohol and Drug Services (ADS) as needed to meet the costs of ADS staff assigned to this function. These funds can only be used for the cost of monitoring PC 1000 and DUI programs.

At the end of 2001-02, this fund was converted from a trust fund to a special revenue fund due to an accounting change (GASB 34). This fund does not directly spend funds or provide services. It is strictly a financing budget with actual expenditures occurring within the operating budget unit ADS.

There is no staffing associated with this budget unit.

BUDGET HISTORY



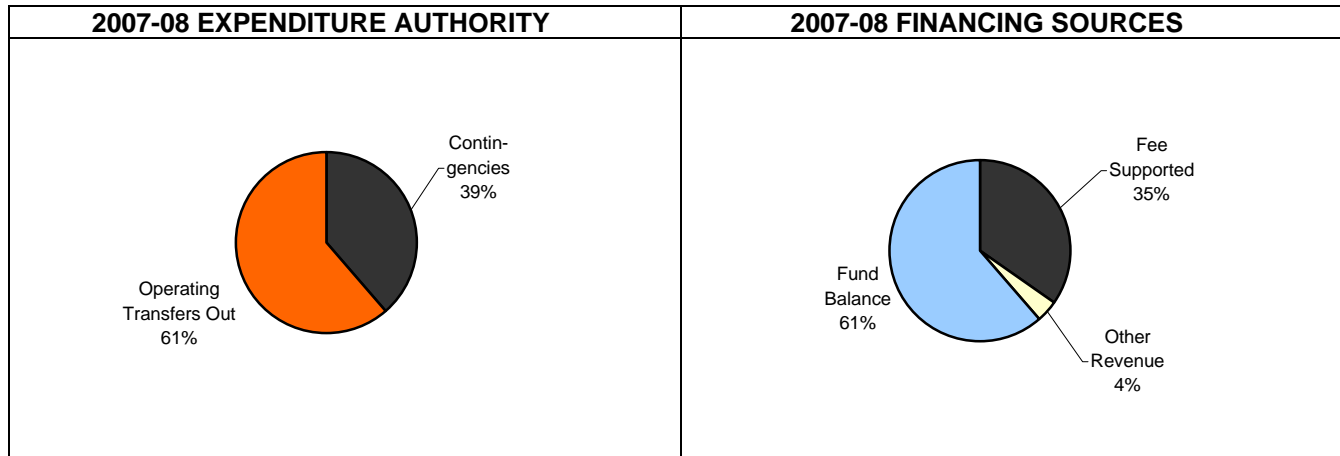
PERFORMANCE HISTORY

	2003-04 Actual	2004-05 Actual	2005-06 Actual	2006-07 Modified Budget	2006-07 Actual
Appropriation	130,000	130,000	130,000	312,689	156,245
Departmental Revenue	105,743	114,685	137,730	90,000	128,217
Fund Balance				222,689	

In accordance with Section 29009 of the State Government Code, the entire unreserved fund balance must be appropriated each year. Accordingly, appropriation in this budget unit is less than budgeted. The amount not expended is carried over to the subsequent year's budget.



ANALYSIS OF FINAL BUDGET



GROUP: Administrative/Executive
DEPARTMENT: Behavioral Health
FUND: Driving Under the Influence Programs

BUDGET UNIT: SDC MLH
FUNCTION: Health & Sanitation
ACTIVITY: Hospital Care

	2003-04 Actual	2004-05 Actual	2005-06 Actual	2006-07 Actual	2006-07 Final Budget	2007-08 Final Budget	Change From 2006-07 Final Budget
Appropriation							
Contingencies	-	-	-	-	172,171	122,255	(49,916)
Total Appropriation	-	-	-	-	172,171	122,255	(49,916)
Operating Transfers Out	130,000	130,000	130,000	156,245	140,518	194,407	53,889
Total Requirements	130,000	130,000	130,000	156,245	312,689	316,662	3,973
Departmental Revenue							
Use of Money and Prop	4,487	4,171	10,319	13,272	5,000	12,000	7,000
Current Services	101,256	110,514	127,411	114,945	85,000	110,000	25,000
Total Revenue	105,743	114,685	137,730	128,217	90,000	122,000	32,000
Fund Balance					222,689	194,662	(28,027)

Contingencies of \$122,255 decreased due to increased planned expenditures and less available fund balance.

Operating transfers out of \$194,407 includes transfers to the ADS budget unit to cover salaries and benefits for DUI related activities. The increase of \$53,889 is due to the increased salaries and benefits of ADS staff assigned to this function.

Departmental revenue of \$122,000 includes DUI fees paid by program providers and interest revenue. The increase of \$32,000 is due to an anticipated increase in fees collected by DUI providers.



Block Grant Carryover Program

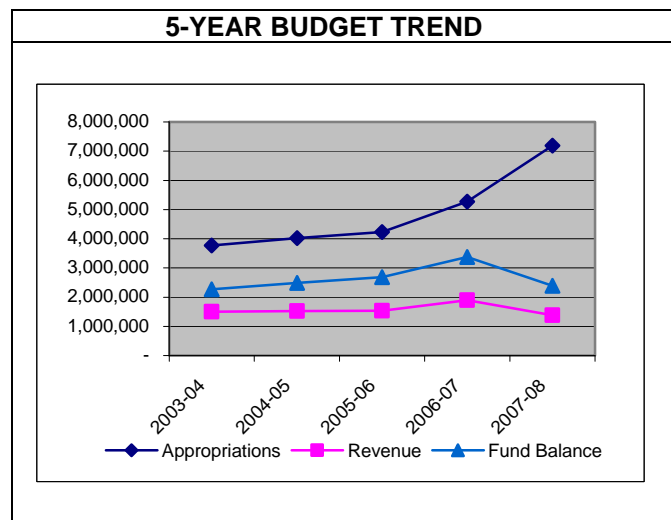
DESCRIPTION OF MAJOR SERVICES

Alcohol and Drug Services (ADS) utilizes this Special Revenue fund to hold money received from the State Department of Alcohol and Drug Programs (ADP) under a multi-year cost reimbursement contract that allows the county to retain unused federal Substance Abuse Prevention and Treatment (SAPT) funds for use in the next fiscal year. These funds are to be spent on alcohol abuse prevention, education, and treatment in schools and the community as described in the annual update to the contract between county and the state. Funds are transferred to ADS based on the needs of the program.

At the end of 2001-02, this fund was converted from a trust fund to a special revenue fund due to an accounting change (GASB 34). This fund does not directly spend funds or provide services. It is strictly a financing budget with the actual expenditures occurring within the operating budget unit of ADS.

There is no staffing associated with this budget unit.

BUDGET HISTORY



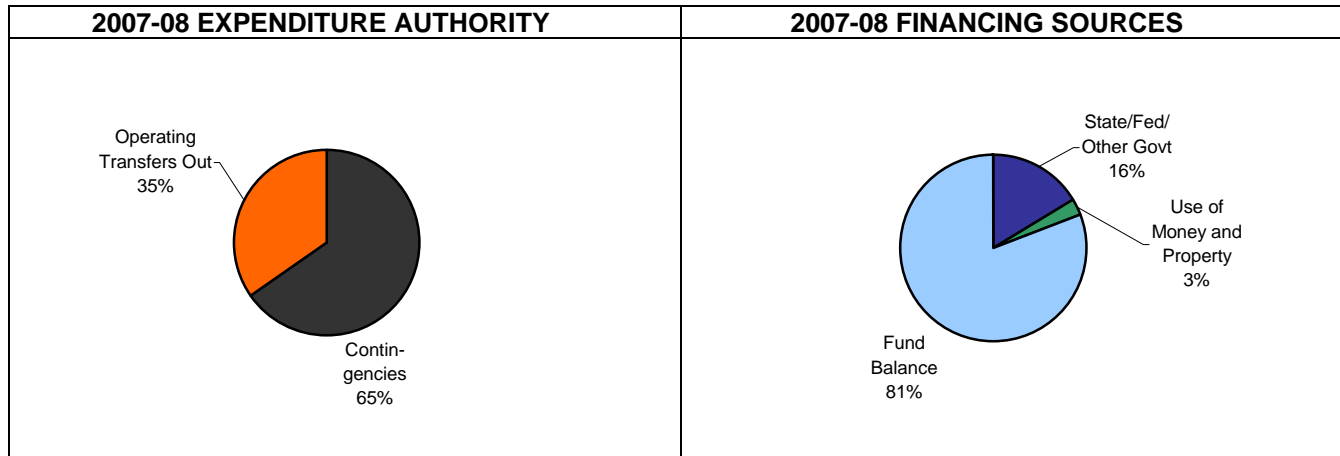
PERFORMANCE HISTORY

	2003-04 Actual	2004-05 Actual	2005-06 Actual	2006-07 Modified Budget	2006-07 Actual
Appropriation	2,277,501	1,789,801	1,897,894	4,564,486	2,037,530
Departmental Revenue	999,631	1,986,801	2,580,932	2,598,980	(396,906)
Fund Balance				1,965,506	

In accordance with Section 29009 of the State Government Code, the entire unreserved fund balance must be appropriated each year. Accordingly, appropriation in this budget unit is less than budgeted. The amount not expended is carried over to the subsequent year's budget.



ANALYSIS OF FINAL BUDGET



GROUP: Administrative/Executive
DEPARTMENT: Behavioral Health
FUND: State Block Grant Carryover Program

BUDGET UNIT: SDH MLH
FUNCTION: Health & Sanitation
ACTIVITY: Hospital Care

	2003-04 Actual	2004-05 Actual	2005-06 Actual	2006-07 Actual	2006-07 Final Budget	2007-08 Final Budget	Change From 2006-07 Final Budget
Appropriation							
Contingencies	-	-	-	-	3,230,535	4,686,110	1,455,575
Total Appropriation	-	-	-	-	3,230,535	4,686,110	1,455,575
Operating Transfers Out	2,277,501	1,789,801	1,897,894	2,037,530	2,037,530	2,500,000	462,470
Total Requirements	2,277,501	1,789,801	1,897,894	2,037,530	5,268,065	7,186,110	1,918,045
Departmental Revenue							
Use of Money and Prop	16,948	41,134	94,027	303,332	75,000	200,000	125,000
State, Fed or Gov't Aid	982,683	1,945,667	2,486,905	(700,238)	1,820,401	1,184,560	(635,841)
Total Revenue	999,631	1,986,801	2,580,932	(396,906)	1,895,401	1,384,560	(510,841)
Fund Balance					3,372,664	5,801,550	2,428,886

Contingencies of \$4,686,110 increased due to a higher undesignated fund balance.

Operating transfers out of \$2,500,000 includes transfers to the Department of Behavioral Health's ADS budget unit for salaries and benefits and services and supplies costs incurred related to the services provided for alcohol abuse prevention, education, and treatment in schools and the community.

Departmental revenue of \$1,384,560 includes \$1,184,560 of funds received from ADP and \$200,000 of interest revenue. The decrease of \$510,841 is primarily due to an anticipated decrease in funds received from ADP.



Court Alcohol and Drug Program

DESCRIPTION OF MAJOR SERVICES

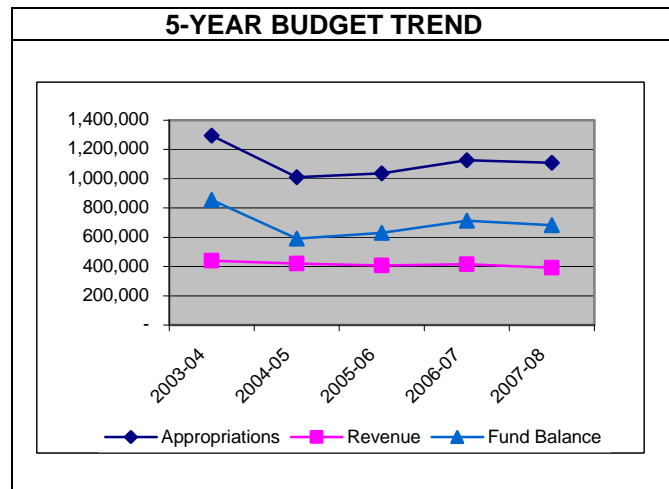
The special revenue fund consists of three revenue sources:

- The first source is referred to as Statham funds, which are fines collected from individuals convicted of Driving Under the Influence (DUI) offenses.
- The second source is fines imposed by Senate Bill 921 that went in effect on September 23, 1986. The bill requires persons convicted of an offense involving a controlled substance to pay a drug program fee in an amount not to exceed \$100 for each separate offense. The money collected is to be used for drug abuse programs in schools and the community.
- The third source is fines imposed by Senate Bill 920 that went in effect on September 24, 1996. The bill requires persons convicted of specific alcohol related offenses to pay an additional alcohol abuse education and prevention penalty assessment in an amount not to exceed \$50. The money collected is to be used exclusively for alcohol abuse and prevention services.

All revenue is collected by the Courts and Central Collections and then transferred into this fund for later distribution to Alcohol and Drug Services (ADS).

There is no staffing associated with this budget unit. At the end of 2001-02, this fund was converted from a trust fund to a special revenue fund due to an accounting change (GASB 34). This fund does not directly spend funds or provide services. It is strictly a financing budget with actual expenditures occurring within the operating budget unit of ADS. The revenue transferred to ADS funds alcohol abuse prevention, education, and treatment in schools and the community.

BUDGET HISTORY



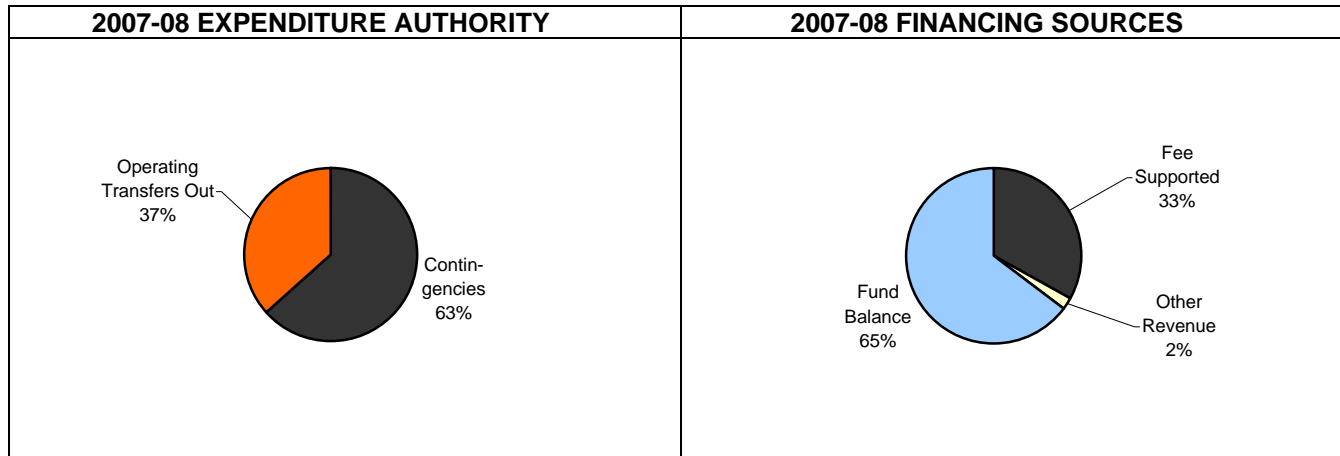
PERFORMANCE HISTORY

	2003-04 Actual	2004-05 Actual	2005-06 Actual	2006-07 Modified Budget	2006-07 Actual
Appropriation	650,000	400,000	400,000	1,127,538	437,000
Departmental Revenue	385,125	439,099	482,647	415,000	442,241
Fund Balance				712,538	

In accordance with Section 29009 of the California Government Code, the entire unreserved fund balance must be appropriated each year. Accordingly, appropriation in this budget unit is less than budgeted. The amount not expended is carried over to the subsequent year's budget.



ANALYSIS OF FINAL BUDGET



GROUP: Administrative/Executive
DEPARTMENT: Behavioral Health
FUND: Court Alcohol & Drug Program

BUDGET UNIT: SDI MLH
FUNCTION: Health & Sanitation
ACTIVITY: Hospital Care

	2003-04 Actual	2004-05 Actual	2005-06 Actual	2006-07 Actual	2006-07 Final Budget	2007-08 Final Budget	Change From 2006-07 Final Budget
Appropriation							
Contingencies	-	-	-	-	690,538	701,779	11,241
Total Appropriation	-	-	-	-	690,538	701,779	11,241
Operating Transfers Out	650,000	400,000	400,000	437,000	437,000	407,000	(30,000)
Total Requirements	650,000	400,000	400,000	437,000	1,127,538	1,108,779	(18,759)
Departmental Revenue							
Fines and Forfeitures	370,569	418,534	443,874	395,567	403,000	366,000	(37,000)
Use of Money and Prop	13,782	16,036	31,263	44,891	12,000	25,000	13,000
Other Revenue	774	4,529	7,510	1,783	-	-	-
Total Revenue	385,125	439,099	482,647	442,241	415,000	391,000	(24,000)
Fund Balance					712,538	717,779	5,241

Contingencies of \$701,779 increased due to a higher undesignated fund balance.

Operating transfers out of \$407,000 includes transfers to ADS to cover the costs associated with this function. The decrease of \$30,000 is the result of a decrease in fines collected and available for disbursement.

Departmental revenue of \$391,000 includes \$366,000 of fines and \$25,000 of interest revenue. The decrease of \$24,000 is primarily the result of a decrease in the fines collected by the Courts and Central Collections from misdemeanor cases.



Proposition 36

MISSION STATEMENT

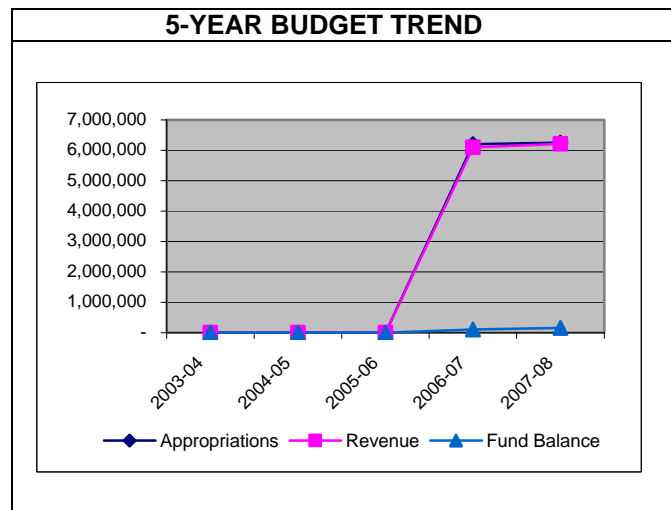
Proposition 36 is to provide nonviolent drug offenders with proven and effective treatment strategies rather than incarceration through a collaborative effort of stakeholders.

DESCRIPTION OF MAJOR SERVICES

In November 2000, California passed Proposition 36, the Substance Abuse and Crime Prevention Act of 2000 (Act). The Act mandated that certain persons convicted of a nonviolent drug possession offense, and any parolee, who is determined by the Parole Authority to have committed a nonviolent drug possession offense, or violated any other drug-related condition of parole, will be provided drug treatment and related services in lieu of incarceration. Effective with fiscal year 2006-07, the Department of Behavioral Health assumed the lead agency role to oversee the Act. This special revenue fund is used to account for disposition of the funds received from the state.

There is no staffing associated with this budget unit.

BUDGET HISTORY



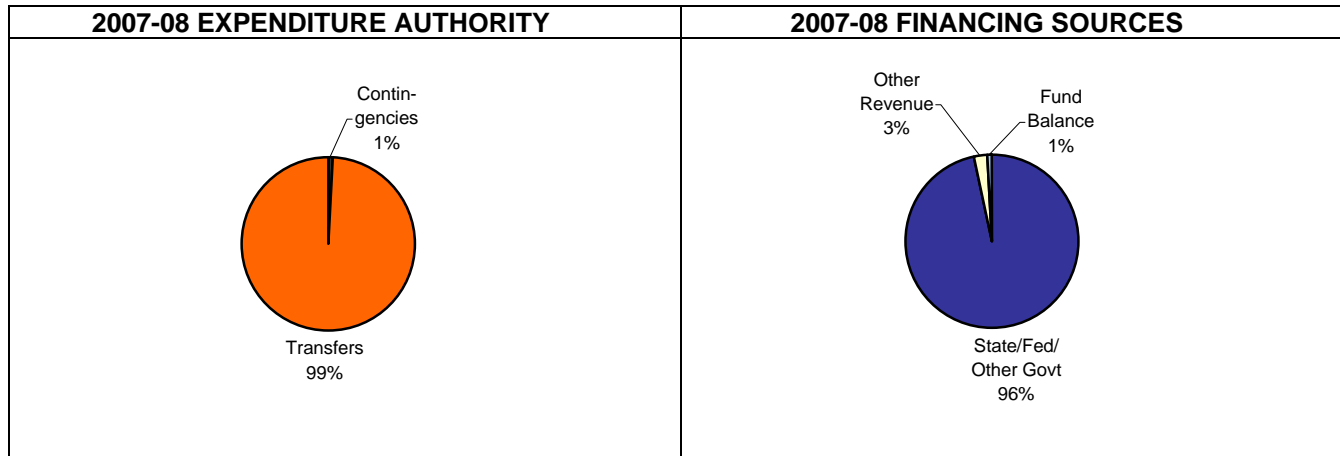
PERFORMANCE HISTORY

	2003-04 Actual	2004-05 Actual	2005-06 Actual	2006-07 Modified Budget	2006-07 Actual
Appropriation	-	-	-	6,202,680	5,982,214
Departmental Revenue	-	-	52,661	6,099,773	5,928,609
Fund Balance				102,907	

In accordance with Section 29009 of the State Government Code, the entire unreserved fund balance must be appropriated each year. Accordingly, appropriation in this budget unit is less than budgeted. The amount not expended is carried over to the subsequent year's budget.



ANALYSIS OF FINAL BUDGET



GROUP: Administrative/Executive
DEPARTMENT: Behavioral Health
FUND: Proposition 36

BUDGET UNIT: RHD MLH
FUNCTION: Health & Sanitation
ACTIVITY: Hospital Care

	2003-04 Actual	2004-05 Actual	2005-06 Actual	2006-07 Actual	2006-07 Final Budget	2007-08 Final Budget	Change From 2006-07 Final Budget
Appropriation							
Transfers	-	-	-	5,982,214	6,164,567	6,208,013	43,446
Contingencies	-	-	-	-	38,113	49,062	10,949
Total Appropriation	-	-	-	5,982,214	6,202,680	6,257,075	54,395
Departmental Revenue							
Use of Money and Prop	-	-	52,661	231,502	50,000	158,000	108,000
State, Fed or Gov't Aid	-	-	-	5,697,107	6,049,773	6,049,773	-
Total Revenue	-	-	52,661	5,928,609	6,099,773	6,207,773	108,000
Fund Balance	-	-	-	-	102,907	49,302	(53,605)

Transfers of \$6,208,013 include transfers to other county departments for reimbursement of Proposition 36 related activities such as salaries and benefits and services and supplies. The increase of \$43,446 is primarily due to increases in salaries and benefits incurred by the department's clinics and Alcohol and Drug Program contract providers.

Contingencies of \$49,062 was increased by \$10,949 due to higher departmental revenue.

Departmental revenue of \$6,207,773 is primarily from Proposition 36 funds and interest revenue. The increase of \$108,000 is due to an anticipated increase in interest income.



PUBLIC HEALTH

Margaret D. Smith

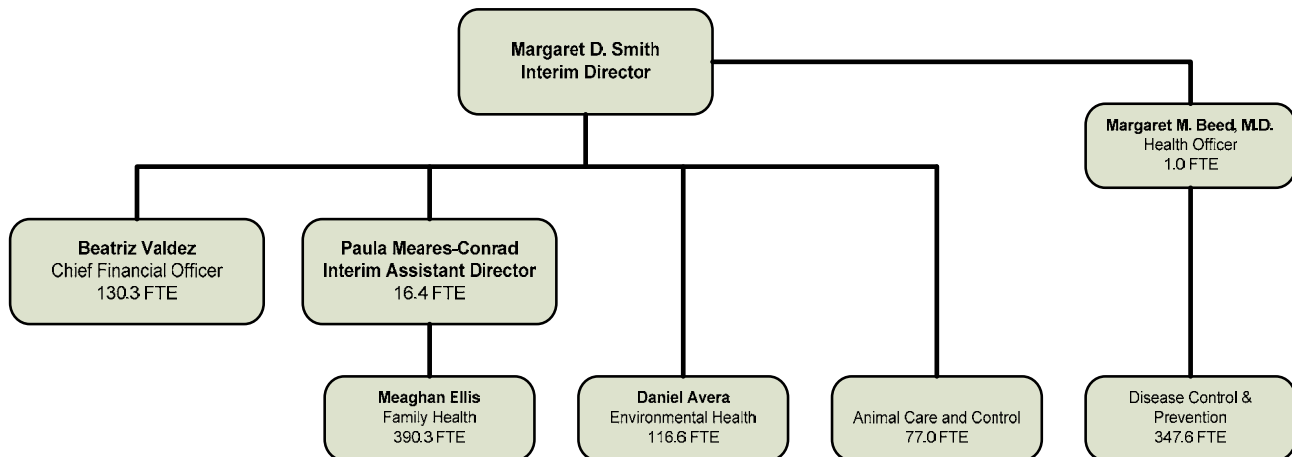
MISSION STATEMENT

To promote and improve the health, safety, well being, and quality of life of San Bernardino County residents and visitors.

STRATEGIC GOALS

1. Prevent disease and disability, and promote healthy lifestyles.
2. Promote and ensure a healthful environment.
3. Support the Public Health workforce through the effective use of technology.

ORGANIZATIONAL CHART



SUMMARY OF BUDGET UNITS

	2007-08				
	Appropriation	Revenue	Local Cost	Fund Balance	Staffing
General Fund					
Public Health	86,748,420	82,052,587	4,695,833		904.3
California Children's Services	19,246,486	15,262,299	3,984,187		180.9
Indigent Ambulance	472,501	-	472,501		-
Total General Fund	106,467,407	97,314,886	9,152,521		1,085.2
Special Revenue Funds					
Bio-Terrorism Preparedness	4,266,694	3,338,135		928,559	-
Tobacco Use Reduction Now	404,454	404,454		-	-
Vital Statistics State Fees	589,664	169,250		420,414	-
Vector Control Assessments	3,832,567	1,851,151		1,981,416	-
Total Special Revenue Funds	9,093,379	5,762,990		3,330,389	-
Total - All Funds	115,560,786	103,077,876	9,152,521	3,330,389	1,085.2

Detailed information for each budget unit follows, along with a description of the services provided, budget unit history and applicable performance measures.



Public Health

DESCRIPTION OF MAJOR SERVICES

The Department of Public Health provides a wide range of services to prevent diseases and improve the health, safety, and quality of life for residents and visitors of San Bernardino County. The department operates over thirty different programs, many of which are mandated by the State Health and Safety Code. Funding is provided by state and federal grants, local fees, charges for services, tax revenue, and a small amount of county general fund primarily for Animal Care and Control related expenses and to provide infrastructure for the promotion of Healthy Communities. Many programmatic changes occurred during the year including the implementation of four major programs: 1) the Periodic Assistance for Newborns with Drug and Alcohol Exposure Program, 2) the Coordinated Asthma Referral and Education Program, 3) the Continuum of Care Demonstration Project – Dental Health and 4) the Outreach, Enrollment, Retention, and Utilization program. Furthermore, on February 6, 2007, the Board of Supervisors (Board) approved an item separating the Inland Counties Emergency Medical Agency (ICEMA) from Public Health to become a separate organization within the County Administrative Office budget unit.

Several key service delivery functions are described below.

Communicable Disease Control and Prevention

Disease control services relate to the surveillance and prevention of illness and disease, such as tuberculosis control, HIV/AIDS, reproductive health, immunizations and education services

Bio-Terrorism Response

As a result of a federal initiative, the department has developed a Comprehensive Public Health Preparedness and Response (Bio-terrorism) plan to improve response capabilities in the event of a bioterrorism incident or other public health emergency.

Maternal and Child Health

Services focus on promoting healthy outcomes in high-risk populations. Clinical programs providing diagnosis, treatment, and education focus on prenatal care and child health.

Healthy Communities

Because San Bernardino County suffers from the growing epidemic of obesity, Healthy Communities is an innovative countywide strategic effort that provides the infrastructure to support collaborative efforts to improve the health and well being of all residents.

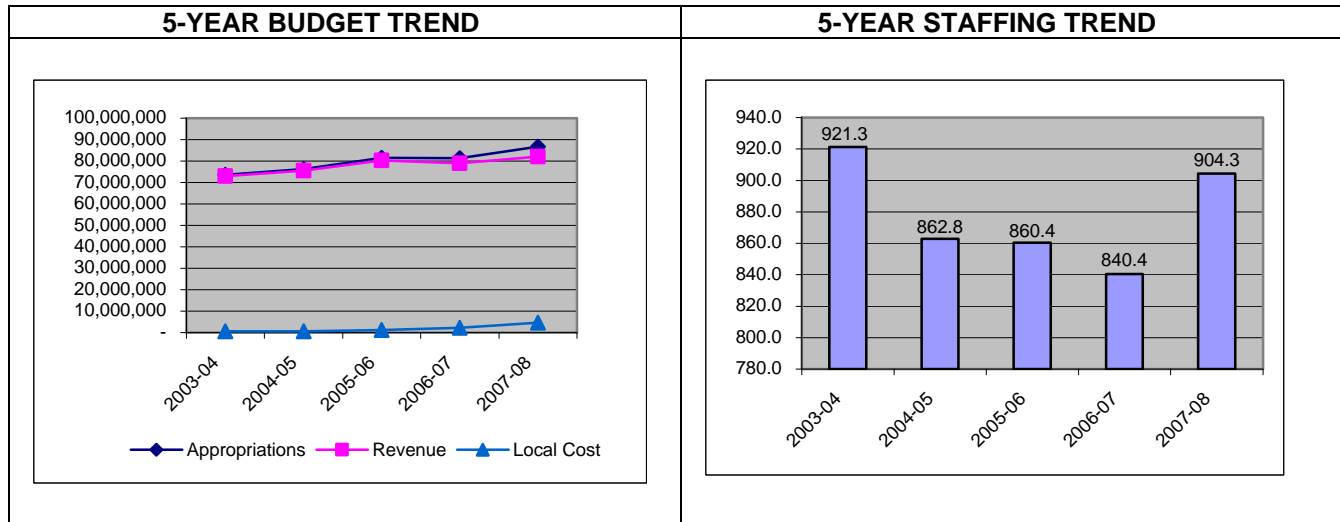
Environmental Health Services

The purpose of environmental health services is to prevent, eliminate, or reduce hazards that could adversely affect health, safety, and quality of life through programs focusing directly on the prevention of threats to health in the physical environment through monitoring and inspection, licensing, and statutory regulation.

Animal Care and Control

Services protect the public from rabies through vaccination of the county's pet dog population, stray animal abatement (through enforcement of the leash law), wild life rabies surveillance, quarantine of biting animals, laboratory examination of animals for rabies, and public education. In addition, the program investigates animal complaints and provides safe sheltering care, return, adoption, or as a last resort, the humane euthanasia of unwanted animals.

BUDGET HISTORY



PERFORMANCE HISTORY

	2003-04 Actual	2004-05 Actual	2005-06 Actual	2006-07 Modified Budget	2006-07 Actual
Appropriation	73,652,517	75,412,592	76,432,804	85,094,872	78,494,612
Departmental Revenue	72,978,701	74,356,914	75,128,834	82,794,613	76,194,353
Local Cost	673,816	1,055,678	1,303,970	2,300,259	2,300,259
Budgeted Staffing				856.8	

Actual appropriation is less than modified budget primarily due to significant savings within salaries and benefits and services and supplies. Salaries and benefits are under budget by \$5,584,728 due to significant staff vacancies. Services and supplies are lower than modified budget by \$979,551 due to under-expenditure of grant funds for the implementation of the Outreach, Enrollment, Retention and Utilization (OERU) program and the Lead Hazard Control grant program. The Lead Hazard Control grant program is a multi-year program, with additional expenditures planned for 2007-08.

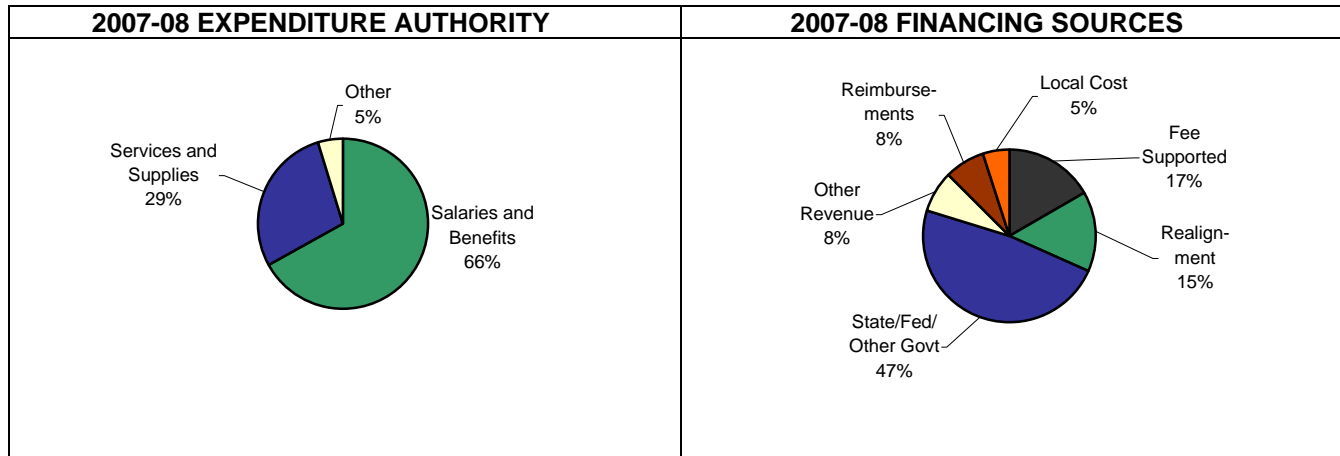
Licenses and permits of \$7,473,315 increased by \$482,633 primarily due to additional revenue for Environmental Health permits and animal licenses. In addition, the Animal Care and Control program implemented a pilot canvassing (door to door) program for issuance of animal licenses that has been a contributing factor for the increase in animal licensing revenue. This program will be expanded in 2007-08.

State and federal revenues of \$40,687,876 are under budget by \$4,549,607 due to staff vacancies. Also, operating transfers in of \$5,485,294 are under budget by \$2,228,762 due to an under expenditure of Bio-terrorism and Preparedness funds. These funds will remain in the Bio-terrorism Preparedness fund and once the state approves the new budget and plan, the department will seek Board of Supervisors approval to carry forward the plan.

Other revenues of \$564,949 are over budget by \$158,349 primarily as a result of a new contract with Children's Fund for the Periodic Assistance for Newborns with Drug and Alcohol Exposure program.



ANALYSIS OF FINAL BUDGET



GROUP: Administrative/Executive
DEPARTMENT: Public Health
FUND: General

BUDGET UNIT: AAA PHL
FUNCTION: Health and Sanitation
ACTIVITY: Health

	2003-04 Actual	2004-05 Actual	2005-06 Actual	2006-07 Actual	2006-07 Final Budget	2007-08 Final Budget	Change From 2006-07 Final Budget
Appropriation							
Salaries and Benefits	52,125,021	51,607,535	54,992,869	54,840,095	59,027,887	62,714,697	3,686,810
Services and Supplies	21,811,683	23,260,343	21,630,283	24,843,932	24,107,463	26,141,618	2,034,155
Central Computer	430,079	543,087	617,030	592,400	592,400	611,914	19,514
Other Charges	-	-	467,505	101,500	100,000	100,000	-
Equipment	138,938	328,385	334,218	507,694	280,600	465,500	184,900
Vehicles	2,199	426,972	294,806	19,456	13,000	-	(13,000)
Capitalized Software	-	-	-	494,600	-	230,000	230,000
Transfers	2,973,539	2,767,539	3,153,721	3,198,612	3,427,439	3,511,095	83,656
Total Exp Authority	77,481,459	78,933,861	81,490,432	84,598,289	87,548,789	93,774,824	6,226,035
Reimbursements	(3,828,942)	(3,784,019)	(5,458,617)	(6,103,677)	(6,271,631)	(7,026,404)	(754,773)
Total Appropriation	73,652,517	75,149,842	76,031,815	78,494,612	81,277,158	86,748,420	5,471,262
Operating Transfers Out	-	262,750	400,989	-	-	-	-
Total Requirements	73,652,517	75,412,592	76,432,804	78,494,612	81,277,158	86,748,420	5,471,262
Departmental Revenue							
Taxes	108,716	100,970	99,868	110,540	122,000	102,409	(19,591)
Licenses & Permits	6,076,999	6,559,107	7,122,614	7,473,315	6,990,682	7,743,192	752,510
Fines and Forfeitures	580,016	418,248	426,629	487,301	400,500	-	(400,500)
Realignment	13,740,368	12,973,918	11,008,999	14,012,630	14,164,292	14,164,292	-
State, Fed or Gov't Aid	41,385,319	41,432,930	42,455,418	40,687,876	43,745,964	44,854,841	1,108,877
Current Services	7,120,382	7,906,027	8,383,548	7,372,136	7,033,099	7,866,769	833,670
Other Revenue	259,769	204,450	213,871	564,949	406,600	1,278,350	871,750
Other Financing Sources	193	-	7,438	-	-	-	-
Total Revenue	69,271,762	69,595,650	69,718,385	70,709,059	72,863,137	76,009,853	3,146,716
Operating Transfers In	3,706,939	4,761,264	5,410,449	5,485,294	6,113,762	6,042,734	(71,028)
Total Financing Sources	72,978,701	74,356,914	75,128,834	76,194,353	78,976,899	82,052,587	3,075,688
Local Cost	673,816	1,055,678	1,303,970	2,300,259	2,300,259	4,695,833	2,395,574
Budgeted Staffing					840.4	904.3	63.9



Program changes for 2007-08 include the following:

- Salaries and benefits of \$62,714,697 fund 904.3 positions and are increasing by \$3,686,810 resulting primarily from MOU and retirement rate adjustments. This increase reflects the addition of 31 authorized positions, resulting in an increase of 63.9 full time equivalents (FTE) as a result of staff previously budgeted at only partial FTE's being reflected at full time in 2007-08. Also included in these increases is the approval of two policy items. The first policy item increased staff within the Tuberculosis Control program by 3.0 positions to decrease existing case-to-nurse ratio, thus increasing the number of fully completed tuberculosis contact investigations. The second policy item added 1.0 Business Systems Analyst to provide a higher level of project management regarding information technology, including analysis of existing systems to determine the need for consolidation, enhancement through web-based technologies, and improved access to data by management. These increases are net of the 17.3 positions related to the transfer of the Inland Counties Emergency Medical Agency (ICEMA) from the Public Health budget unit to the County Administrative Office budget unit.

Furthermore, the department reclassified three vacant positions; one Clinic Supervisor to a Quality Management Specialist, one Storekeeper II to a Storekeeper, and one Office Assistant IV to a Supervising Office Assistant. In addition, there is a reclassification of a filled position from Public Health Division Chief to Chief Financial Officer, and the addition of 1.0 Chief Compliance and Contracts Officer and 1.0 Chief of Animal Care and Control.

State and federal grants are a significant funding stream for the department, representing 59% of the budgeted revenue. Consequently, it becomes necessary to annually reassign staff to ensure that the activities funded are aligned with the correct classifications as stipulated in the grants. In 2007-08, the department received general fund support to cover salary and benefit increases that existing state and federal grants, for programs such as Tuberculosis Control, Immunizations and Black Infant Health, are unable to cover within their existing allocations. However, despite the increased support, the department will still need to perform some minor reassignments as a result of a shift in the actual grants received. The department has sufficient vacancies to accommodate all existing staff.

- Services and supplies of \$26,141,618 are increasing by \$2,034,155. This increase is primarily related to tentative remodels of facilities, including painting and flooring of several clinics, replacement of old furniture and continuance of the computer refresh plan established in 2006-07. Additionally, within this appropriation is the approval of a business process improvement plan to redesign the department's existing Internet and intranet environments to offer more web-based services, resulting in decreased internal paperwork and customer transaction times, and improvement of the overall aesthetic of all department web pages for consistency and greater appeal. For 2007-08, the department had also included appropriation for expenditures related to the OERU Program. This program was subsequently line-item vetoed by the governor in an effort to reduce state general fund spending. The department will closely monitor expenditures within this category to ensure that no expenses related to this program are incurred.
- Equipment is budgeted at \$465,500 for the replacement of several photocopiers, and purchase of a new file server and a storage area network. The department is also purchasing replacement laboratory equipment, including refrigerators, incubators, a gravity sterilizer, GeneAmp system, Magna Pure Compact and a fluorescence detector that will be used during the consolidation of the department's laboratory activities with those of Arrowhead Regional Medical Center. Capitalized software is budgeted at \$230,000 to purchase the Meditech Laboratory module and the vital statistics automated system.
- Transfers of \$3,511,095 are payments to other departments for employee relations, the Employee Health and Productivity program, employment and advertising services, lease costs, facilities charges, and administrative and program support from Human Services. The \$83,656 increase results primarily from a reclassification of expenses from services and supplies to transfers out. These expenses include facilities charges and employment and advertising services. Other increases include additional program support from Human Services for the Lead Hazard Control program. For 2007-08, the Department had also included appropriation related to additional program support for the OERU Program. This support will not become necessary as this program was subsequently line-item vetoed by the governor. Partially offsetting these increases is a reduction in lease costs due to a termination of a lease.



- Reimbursements of \$7,026,404 represent reimbursements from other departments such as Human Services, Children's Services, Probation, California Children's Services, ICEMA, and Behavioral Health, for provision of nursing services, case management, home visiting and education, administrative and program support, and reimbursement of lease space costs. The \$754,773 increase is primarily due to increased reimbursement for nursing services provided to county Children's Services and Probation departments, lease space and Information Technology support provided to ICEMA, and an increase in administrative costs and program support provided to CCS. This increase was partially offset by a decrease in reimbursements from the Department of Behavioral Health - Alcohol and Drug Services due to a reduction of the Brighter Futures program.
- Licenses and permits of \$7,743,192 are increasing by \$752,510 due to an increase in environmental health permits and an increase in animal licenses revenue. This increase is partially offset by the decrease resulting from ICEMA's licensing revenue being reflected within the Health Administration budget unit for 2007-08.
- Fines and forfeitures of \$400,500 related to ICEMA, are no longer reflected within Public Health, and are included within the Health Administration budget unit for 2007-08.
- State funding of \$34,030,313 is increasing by \$1,638,503 primarily due to the implementation of the OERU program and increases in the Women, Infant, and Children funding. These increases are partially offset by the elimination of ICEMA's grants including the Hospital Preparedness grant that ICEMA will start managing in August 2007 and a reclassification of the Tobacco Use Reduction Now (TURN) funding from state grants to operating transfers in due to GASB 34 accounting procedures.
- Federal funding of \$10,824,528 is decreasing by \$529,626 primarily as a result of reclassification of the AIDS/HIV Title II funding now being reflected in state funding. Partially offsetting this decrease was an increase in the Lead Hazard Control grant.
- Current services of \$7,866,769 are increasing by \$833,670 primarily due to the implementation of the food handler certification training program, increased lab services provided to Loma Linda University Medical Center, and a one-time increase in the Housing Opportunities for People With AIDS program. These increases were partially offset by the elimination of the ambulance performance fees received by ICEMA, a reduction in payments from the Board of Retirement for medical review, and the elimination of the attrition funding from the City of Rancho Cucamonga related to the Animal Care and Control program.
- Other revenue of \$1,278,350 is increasing by \$871,750 primarily due the following: (1) the Coordinated Asthma Referral and Education Program, (2) a new contract with the California State Foundation to support the Screening, Assessment, Referral, and Treatment program, and (3) a three year Dental Health Demonstration project. This increase is partially offset by a decrease in the school readiness contracts.
- Operating transfers in of \$6,042,734 are decreasing by \$71,028 primarily due to a reduction in one time carryover funds for Bio-terrorism Preparedness activities. This decrease is partially offset by Pandemic Influenza, Cities Readiness Initiative, and the TURN funding being reflected as an operating transfer in instead of state funding. Included in the 2007-08 amount is a transfer of \$150,000 from the Business Process Improvement Reserve to fund the approved business process improvement plan.

The net local cost increase for the department is \$2,395,574, to help fund MOU, retirement costs, and other inflationary expenses. The increase also reflects funding for the two approved policy items.

PERFORMANCE MEASURES			
Description of Performance Measure	2006-07 Projected	2006-07 Actual	2007-08 Projected
Percent increase of pregnant women screened for drug use (8,000 women in 2005-06).	25%	21%	10%
Percent of children immunized by 24 months of age.	84%	82%	85%
Double the number of partnerships with cities with whom Healthy Communities is actively engaged.	New	3	8
Maintain number of grants received to support the Healthy Communities activities (\$503,218).	New	2	2
Percentage increase of restaurant food handlers receiving training and certification (28,000 handlers in 2005-06).	3%	28%	6%
Percentage decrease of animal impounds (strays) excluding the Rancho Shelter and other admissions (14,800 impounds in 2005-06).	2%	4%	2%
Increase the number of MOUs/Agreements with partners for Public Health Emergency Preparedness.	1	4	20
Percent of Public Health computers that meet 2007-08 minimum hardware specifications (221 of 1,004 currently meet specifications).	New	72%	100%
Percent of Public Health computers refreshed (replaced) to meet 2008-09 minimum hardware specifications (354 computers to replace).	New	New	25%
Held community-wide events in collaboration with partners such as First Five and Kids Fitness Challenge.	New	4	5
Identify and track stakeholders and partners collaborating in Healthy Communities.	New	300	350
Provide a resource for organizations to access best practices for involvement in Healthy Communities program.	New	100	130
Award sponsorships to cities to become Healthy Cities.	New	7	5
Increase number of animals receiving veterinary care from 300 in fiscal year 2005-06 to 1,200 animals receiving veterinary care in 2006-07.	1,200	1058	1200
Percent of departmental information systems to be analyzed for possible consolidation and/or enhancement through web-based technologies and improved access to data management.	New	New	80%
Decrease the case to nurse ratio thus increasing the number of fully completed TB contact investigations.	New	New	Case:RN = 85



California Children's Services

DESCRIPTION OF MAJOR SERVICES

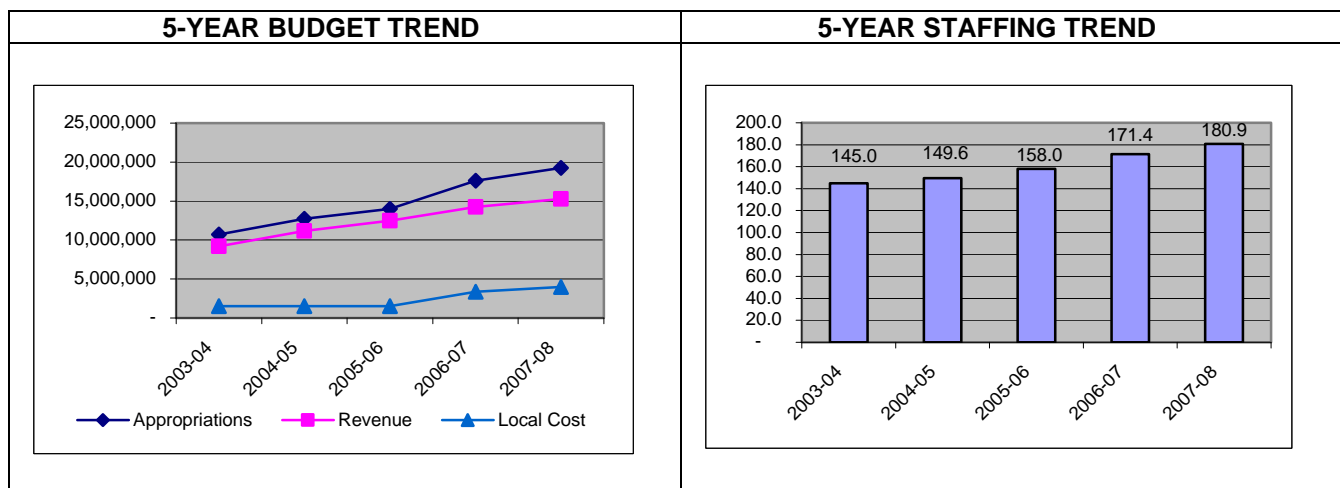
California Children's Services (CCS) is a state program that provides case management, diagnosis, and treatment services to individuals up to 21 years of age with severe qualifying medical conditions and whose families are unable to pay for all or part of their care. State law requires the county to maintain a mandated minimum funding level. In addition to realignment dollars and the county's mandated contribution, funding also comes from Medi-Cal, private insurance, and patient co-payments. Revenues are based upon individual client eligibility for specific programs such as Medi-Cal, Healthy Families, or CCS alone (people who do not qualify for other programs or cannot afford to pay their Medi-Cal co-share payments).

The revenue breakdown among federal, state, realignment, and county general fund support depends on the type of services provided under this program. This program provides two types of services:

1. **Administrative Component** – Case management activities which include determining program eligibility, evaluating needs for specific services, determining the appropriate providers, and authorizing/paying for medically necessary care. Administrative funding is based on staffing standards and caseload mix of CCS clients. In other words, it depends on which federal, state, or county program in which the children are enrolled.
 - Medi-Cal accounts for approximately 69%. Federal and state funds reimburse CCS for 100% of the costs.
 - Healthy Families accounts for approximately 11%. This federal and state program reimburses CCS for 82.5% of the costs. The remaining 17.5% local share is equally funded by Social Services Realignment (8.75%) and general fund support (8.75%).
 - CCS or Non-Medi-Cal caseload accounts for approximately 20%. Federal and state funds account for 50% of the costs associated with treating this clientele. The remaining 50% is split equally between Social Services Realignment (25%) and general fund support (25%).
2. **Medical Therapy Component** – Provides physical therapy, occupational therapy, and medical therapy conference services. Licensed physical therapists and certified occupational therapists provide evaluation, treatment, consultation services, and case management.

The state reimburses the county 50% of the costs incurred by this program. The remaining 50% is equally funded by Social Services Realignment and general fund support. Additionally, this program is allowed to bill Medi-Cal for therapy provided to Medi-Cal eligible clients. This revenue is split 75% state and 25% county. Approximately 69% of the caseload in the medical therapy component is Medi-Cal eligible.

BUDGET HISTORY



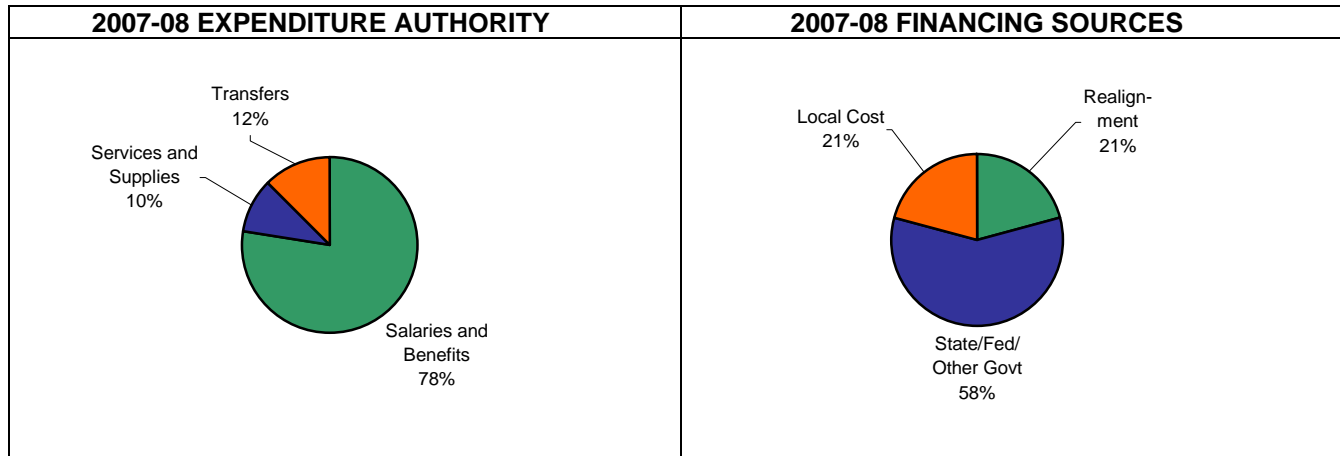
PERFORMANCE HISTORY

	2003-04	2004-05	2005-06	2006-07	2006-07
	Actual	Actual	Actual	Modified Budget	Actual
Appropriation	10,044,604	11,041,819	14,054,913	17,604,866	15,083,111
Departmental Revenue	8,567,764	9,118,390	11,023,247	14,251,621	11,962,630
Local Cost	1,476,840	1,923,429	3,031,666	3,353,245	3,120,481
Budgeted Staffing				171.4	

Actual appropriation for 2006-07 is less than modified budget primarily due to vacant positions which have been difficult to fill. Departmental revenue is also less than modified budget due to reduced claims to the state coupled with a shift in caseload from Medi-Cal clients to CCS clients.



ANALYSIS OF FINAL BUDGET



GROUP: Administrative/Executive
DEPARTMENT: Public Health
FUND: General

BUDGET UNIT: AAA CCS
FUNCTION: Health and Sanitation
ACTIVITY: Hospital Care

	2003-04 Actual	2004-05 Actual	2005-06 Actual	2006-07 Actual	2006-07 Final Budget	2007-08 Final Budget	Change From 2006-07 Final Budget
Appropriation							
Salaries and Benefits	7,886,944	9,091,788	10,568,993	11,177,521	13,683,759	14,926,700	1,242,941
Services and Supplies	1,649,577	1,335,375	1,649,341	1,600,579	1,695,815	1,783,631	87,816
Central Computer	-	-	-	128,066	128,066	133,912	5,846
L/P Struct/Equip/Vehicles	-	-	7,004	-	-	-	-
Transfers	508,083	614,656	1,829,575	2,176,945	2,097,226	2,402,243	305,017
Total Appropriation	10,044,604	11,041,819	14,054,913	15,083,111	17,604,866	19,246,486	1,641,620
Departmental Revenue							
Realignment	1,476,840	1,923,419	3,012,979	3,120,482	3,353,245	3,984,187	630,942
State, Fed or Gov't Aid	7,047,123	7,098,263	7,983,596	8,800,737	10,868,142	11,247,878	379,736
Current Services	26,136	25,979	26,433	41,199	30,034	30,034	-
Other Revenue	17,665	70,729	239	212	200	200	-
Total Revenue	8,567,764	9,118,390	11,023,247	11,962,630	14,251,621	15,262,299	1,010,678
Local Cost	1,476,840	1,923,429	3,031,666	3,120,481	3,353,245	3,984,187	630,942
Budgeted Staffing					171.4	180.9	9.5

Salaries and benefits of \$14,926,700 fund 180.9 positions and are increasing by \$1,242,941 resulting from \$605,827 in expected MOU and retirement rate adjustments and \$637,114 to fund the addition of 9.5 positions necessary to comply with state mandated staffing requirements. Furthermore, the department is requesting the reclassification of a vacant CCS physician to a Medical Director which will supervise one CCS physician and one Office Assistant III. This position will also provide medical guidance to the physician, nursing staff, therapists, and program manager.

Services and supplies of \$1,783,631 include primarily payments to the state and other providers for treatment costs, medical supplies, and a planned computer and software upgrade. The slight increase of \$87,816 is related to treatment costs, COWCAP, and other minor miscellaneous expenses.

Transfers of \$2,402,243 include payments to the 1) Public Health budget unit for administrative costs, automated systems support, and nutritionist time; 2) Real Estate Services Department for lease costs; and 3) Human Resources for Employee Health and Productivity program and employment and advertising services. The increase of \$305,017 is primarily related to an increase in administrative costs paid to the Public Health budget unit.



Social services realignment and general fund support of \$3,984,187 each are increasing by \$630,942 to fund administrative expenses and costs in providing mandated treatment. State law requires the county to maintain a mandated minimum funding level for this program. This funding is provided 50% by social services realignment and 50% by general fund support.

State aid of \$11,247,878 is only increasing by \$379,736. The state share is not increasing at the same level as realignment and general fund support due to the shift in caseload from Medi-Cal clients (100% reimbursed) to CCS clients (50% reimbursed).



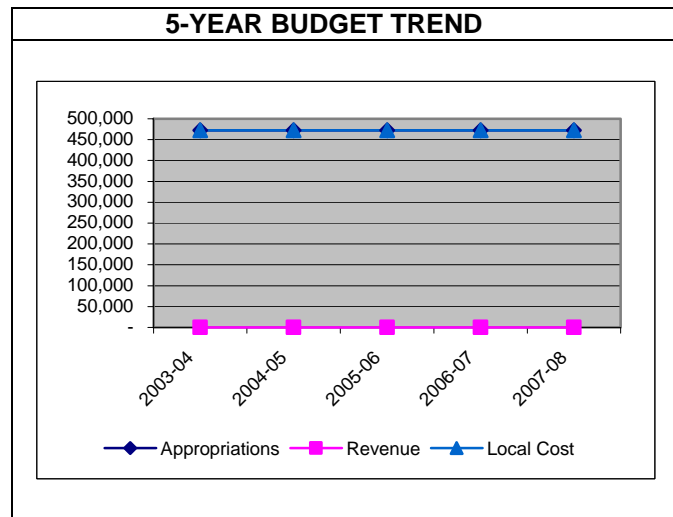
Indigent Ambulance

DESCRIPTION OF MAJOR SERVICES

This budget provides financing for ambulance contractors who transport indigents to the Arrowhead Regional Medical Center, or the closest hospital under certain life-threatening situations. It also funds transport of indigent tuberculosis patients to Riverside County Hospital for treatment, and up to the extent of available appropriation, pays for the Sheriff's Department transport of indigent inmates (with the remainder paid directly by the Sheriff's Department). The appropriation in this budget unit are maintained at a constant level.

There is no staffing associated with this budget unit.

BUDGET HISTORY

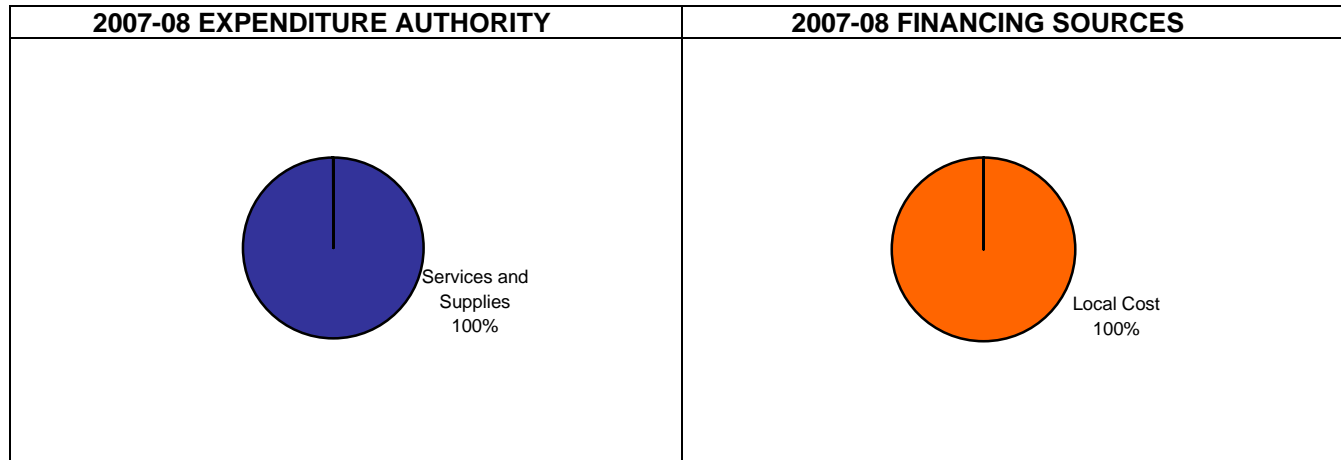


PERFORMANCE HISTORY

	2003-04 Actual	2004-05 Actual	2005-06 Actual	2006-07 Modified Budget	2006-07 Actual
Appropriation	472,425	472,501	471,838	472,501	472,501
Departmental Revenue	-	-	-	-	-
Local Cost	472,425	472,501	471,838	472,501	472,501



ANALYSIS OF FINAL BUDGET



GROUP: Administrative/Executive
DEPARTMENT: Public Health
FUND: General

BUDGET UNIT: AAA EMC
FUNCTION: Health and Sanitation
ACTIVITY: Health

	2003-04 Actual	2004-05 Actual	2005-06 Actual	2006-07 Actual	2006-07 Final Budget	2007-08 Final Budget	Change From 2006-07 Final Budget
<u>Appropriation</u>							
Services and Supplies	472,425	472,501	471,838	472,501	472,501	472,501	-
Total Appropriation	472,425	472,501	471,838	472,501	472,501	472,501	-
<u>Departmental Revenue</u>							
Local Cost	472,425	472,501	471,838	472,501	472,501	472,501	-

There are no changes in this budget unit.



Bio-Terrorism Preparedness

DESCRIPTION OF MAJOR SERVICES

State bio-terrorism funds are received and transferred out as needed to the Department of Public Health as reimbursement for actual preparedness and response related activities and expenditures. This is a financing budget only. No actual expenditures or activities are incurred or conducted via this budget unit.

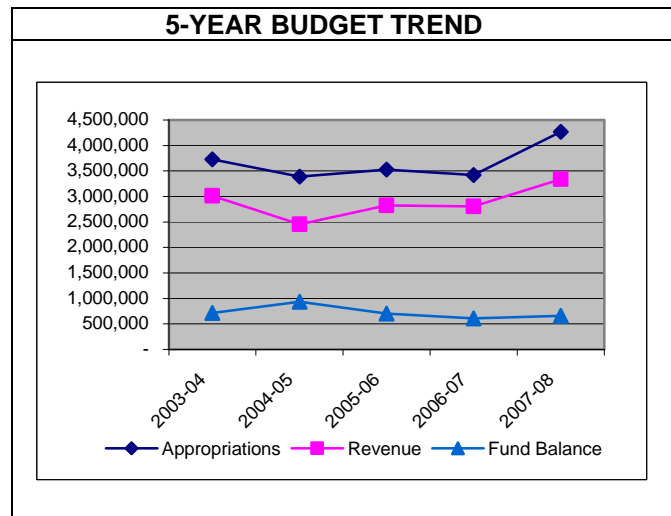
In 2006-07, the state changed its grant application process for Preparedness and Response funding. In the past, the department applied separately through the state for funding from the Centers of Disease Control (CDC) for Bio-terrorism, Pandemic Influenza, and Cities Readiness Initiative and from the Health Resources Services Administration (HRSA) for hospital preparedness.

Previously, the Bio-Terrorism Preparedness fund reflected only revenues associated with the funding from CDC for Bio-terrorism. The other three funding sources were recorded directly in the Public Health budget unit, under State grants. Now, the state requires one application with four different scopes of work. Each scope of work is funded separately and the awards must be recorded in an interest bearing account. To simplify the process, the department decided to record all four awards in this special revenue fund instead of establishing additional funds. The department will track any transactions related to each funding source separately and report them as stipulated by the grant agreement.

Furthermore, starting on August 31, 2007 the Inland Counties Emergency Medical Services (ICEMA) will be responsible for managing the hospital preparedness funds. ICEMA established a special revenue fund for 2007-08 to budget for this funding.

There is no staffing associated with this budget unit.

BUDGET HISTORY



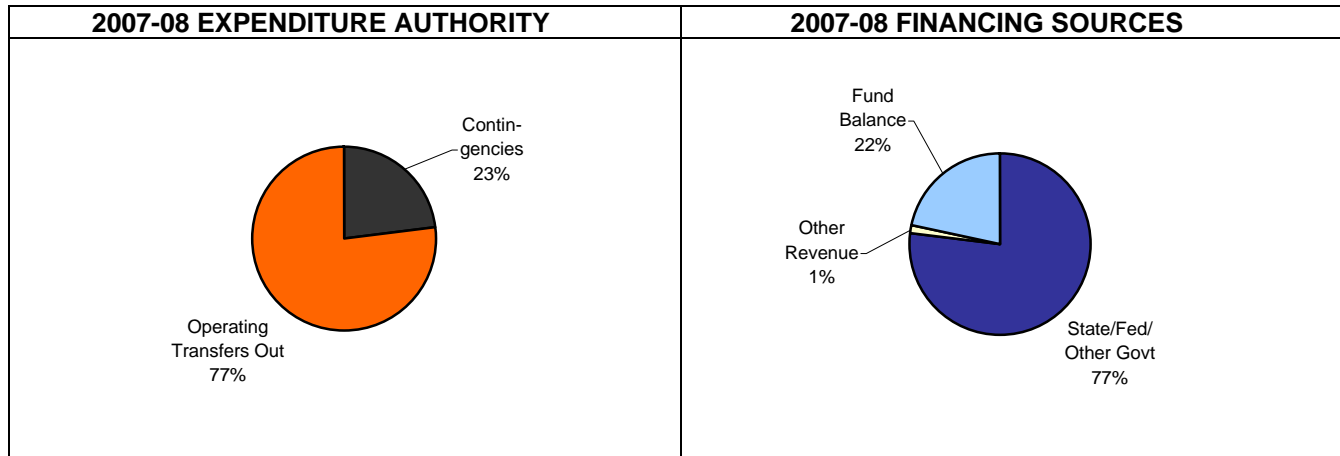
PERFORMANCE HISTORY

	2003-04 Actual	2004-05 Actual	2005-06 Actual	2006-07 Modified Budget	2006-07 Actual
Appropriation	2,049,513	2,465,631	2,864,139	3,417,809	2,242,714
Departmental Revenue	2,271,952	2,233,531	2,768,816	2,807,953	2,561,417
Fund Balance				609,856	

Actual appropriation and departmental revenue is lower than modified budget primarily due to under-expenditure and reimbursement of Pandemic Influenza, Cities Readiness Initiative, and Hospital Preparedness grant funds.



ANALYSIS OF FINAL BUDGET



GROUP: Administrative/Executive
DEPARTMENT: Public Health
FUND: Bio-Terrorism Preparedness

BUDGET UNIT: RPL PHL
FUNCTION: Public Protection
ACTIVITY: Other Protection

	2003-04 Actual	2004-05 Actual	2005-06 Actual	2006-07 Actual	2006-07 Final Budget	2007-08 Final Budget	Change From 2006-07 Final Budget
Appropriation							
Contingencies	-	-	-	-	-	980,906	980,906
Total Appropriation	-	-	-	-	-	980,906	980,906
Operating Transfers Out	2,049,513	2,465,631	2,864,139	2,242,714	3,417,809	3,285,788	(132,021)
Total Requirements	2,049,513	2,465,631	2,864,139	2,242,714	3,417,809	4,266,694	848,885
Departmental Revenue							
Use of Money and Prop	23,310	29,924	50,883	44,892	15,000	52,347	37,347
State, Fed or Gov't Aid	2,248,642	2,203,607	2,717,933	2,516,525	2,792,953	3,285,788	492,835
Total Revenue	2,271,952	2,233,531	2,768,816	2,561,417	2,807,953	3,338,135	530,182
Fund Balance					609,856	928,559	318,703

Contingencies of \$980,906 are budgeted in 2007-08 based on increased departmental revenue and available fund balance. In accordance with Section 29009 of the State Government Code, the entire unreserved fund balance must be appropriated each year. The amount not expended is carried over to the subsequent year's budget. State approval will be sought for the expenditure of these funds and prior year carryover funds. These funds will be utilized to purchase public protection items.

Operating transfers out of \$3,285,788, which is transferred to the Public Health budget unit, reflect a decrease of \$132,021 as carryover funds are being budgeted in contingencies.

Interest of \$52,347 is increasing by \$37,347 due to a higher fund balance.

State aid of \$3,285,788 reflects an increase of \$492,835 since funding for Pandemic Influenza and Cities Readiness Initiative is now recorded in this special revenue fund. Furthermore, two months of funding for hospital preparedness activities are reflected in this fund. In prior years, these three funding sources were budgeted directly in the Public Health budget unit.



Tobacco Use Reduction Now

DESCRIPTION OF MAJOR SERVICES

This budget is being presented for the first time in the budget book due to a change in budget methodology wherein available funds not budgeted in the operating unit of Public Health will be budgeted in this fund as contingencies.

To receive this funding, the department applies for a three-year grant application. Once approved, the department receives quarterly advances and is required to maintain these funds in a separate interest bearing account. In the past, the department utilized a trust fund. However, since unspent funds can be carried forward for up two years, the department identified the need to establish a special revenue fund in order to comply with GASB 34 accounting procedures.

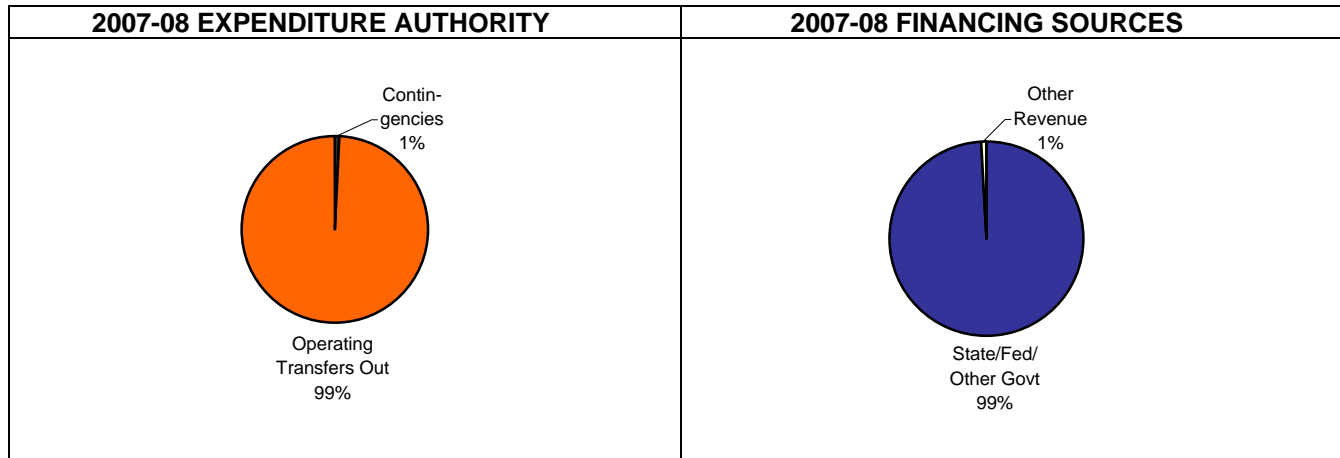
State tobacco control and education funds are received into this budget and transferred out as needed to Public Health to reimburse for actual tobacco control and education expenses. The expenses are to fund program activities which include working with local community and government groups to enforce tobacco control policies and ordinances and provide community education.

This is a newly established budget unit in 2007-08 and therefore no history is available.

There is no staffing associated with this budget unit.



ANALYSIS OF FINAL BUDGET



GROUP: Administrative/Executive
DEPARTMENT: Public Health
FUND: Tobacco Use Reduction Now

BUDGET UNIT: RSP PHL
FUNCTION: Health and Sanitation
ACTIVITY: Health

	2003-04 Actual	2004-05 Actual	2005-06 Actual	2006-07 Actual	2006-07 Final Budget	2007-08 Final Budget	Change From 2006-07 Final Budget
Appropriation							
Contingencies	-	-	-	-	-	3,000	3,000
Total Appropriation	-	-	-	-	-	3,000	3,000
Operating Transfers Out	-	-	-	-	-	401,454	401,454
Total Requirements	-	-	-	-	-	404,454	404,454
Departmental Revenue							
Use of Money and Prop	-	-	-	-	-	3,000	3,000
State, Fed or Gov't Aid	-	-	-	-	-	401,454	401,454
Total Revenue	-	-	-	-	-	404,454	404,454
Fund Balance	-	-	-	-	-	-	-

Contingencies of \$3,000 are budgeted for 2007-08, and are based on anticipated interest revenue. In accordance with Section 29009 of the State Government Code, the entire unreserved fund balance must be appropriated each year. The amount not expended is carried over to the subsequent year's budget.

Operating transfers out of \$401,454 reflect payment to the Public Health budget unit for expenditures associated with the Tobacco Use Reduction Now program.

State aid of \$401,454 represents the annual grant award received by the department to perform tobacco education activities. In addition, interest revenue of \$3,000 is anticipated based on current interest rate.



Vital Statistics State Fees

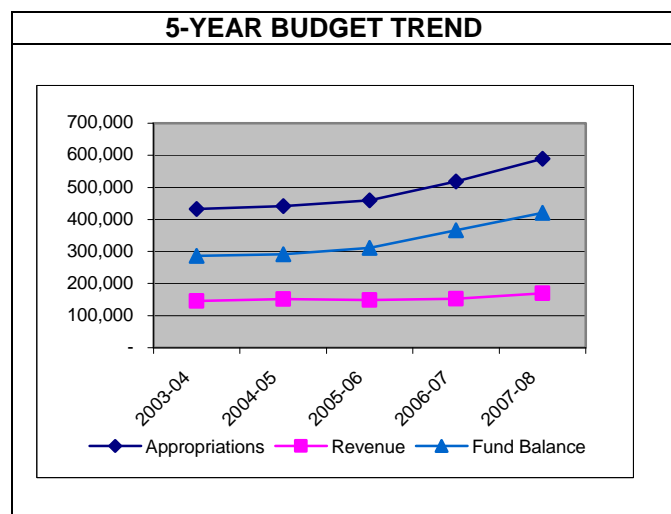
DESCRIPTION OF MAJOR SERVICES

This fund holds fees set by the state and collected from purchasers of birth and death certificates. Funds are transferred to Public Health to fund Vital Statistics expenditures. Per Health and Safety Code 103625, all applicants for birth or death certificates shall pay an additional \$3 to be collected by the county and disbursed as follows:

- 1) 45% of the fee shall be distributed to the State Registrar, and
- 2) The remaining 55% shall be deposited into the Vital and Health Statistics fund for the purpose of defraying administrative costs of collecting and reporting with respect to those fees and for other costs as follows:
 - a) Modernization of vital record operations, including improvement, automation, and technical support of vital record systems.
 - b) Improvement in the collection and analysis of health-related birth and death certificate information, and other community health data collection and analysis, as appropriate.
 - c) Funds collected shall not be used to supplant funding in existence on January 1, 2002 that are necessary for the daily operation of vital records systems.

There is no staffing associated with this budget unit.

BUDGET HISTORY



PERFORMANCE HISTORY

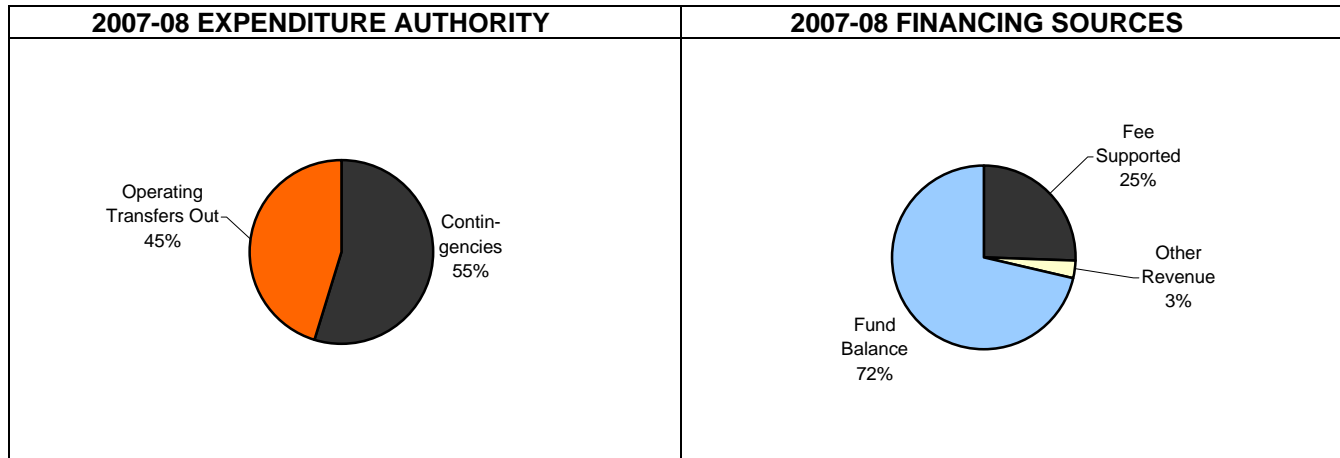
	2003-04 Actual	2004-05 Actual	2005-06 Actual	2006-07 Modified Budget	2006-07 Actual
Appropriation	143,688	127,782	111,381	518,586	117,466
Departmental Revenue	148,184	148,297	165,599	153,000	172,294
Fund Balance				365,586	

In accordance with Section 29009 of the State Government Code, the entire unreserved fund balance must be appropriated each year. Accordingly, actual appropriation in this budget unit is less than modified budget. The amount not expended is carried over to the subsequent year's budget.

Additionally, operating transfers out are lower than modified budget as a result of delays in purchasing systems and software to scan and digitally store vital statistics data. The program is still researching the best method of implementation, and has included planned purchase and implementation in 2007-08.



ANALYSIS OF FINAL BUDGET



GROUP: Administrative/Executive
DEPARTMENT: Public Health
FUND: Vital Statistics State Fees

BUDGET UNIT: SCI PHL
FUNCTION: Health and Sanitation
ACTIVITY: Health

	2003-04 Actual	2004-05 Actual	2005-06 Actual	2006-07 Actual	2006-07 Final Budget	2007-08 Final Budget	Change From 2006-07 Final Budget
Appropriation							
Contingencies	-	-	-	-	351,586	322,664	(28,922)
Total Appropriation	-	-	-	-	351,586	322,664	(28,922)
Operating Transfers Out	143,688	127,782	111,381	117,466	167,000	267,000	100,000
Total Requirements	143,688	127,782	111,381	117,466	518,586	589,664	71,078
Departmental Revenue							
Use of Money and Prop	6,094	6,361	11,337	17,692	8,000	19,250	11,250
Current Services	142,090	141,936	154,262	154,602	145,000	150,000	5,000
Total Revenue	148,184	148,297	165,599	172,294	153,000	169,250	16,250
Fund Balance					365,586	420,414	54,828

Contingencies of \$322,664 are decreasing by \$28,922 primarily due to increased expenditures planned in 2007-08.

Operating transfers out of \$267,000 are increasing by \$100,000 due to higher anticipated expenditures for automation, including the automated vital statistics system.

Current services revenue of \$150,000 are increasing by \$5,000 based on the current trend. In addition, interest revenue is also reflecting an increase due to a higher anticipated fund balance.



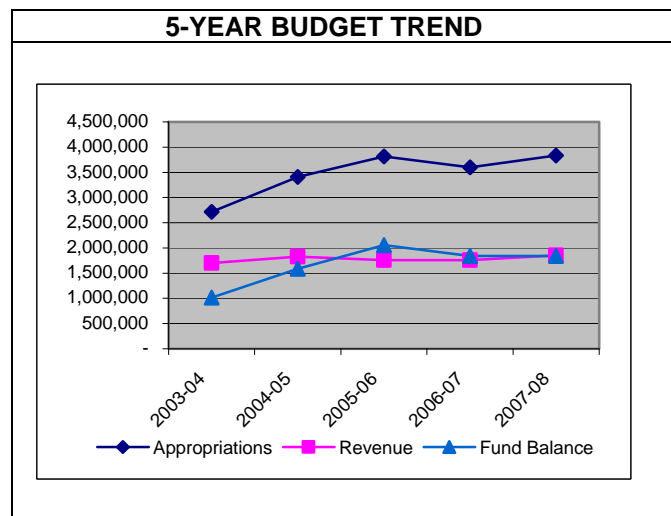
Vector Control Assessments

DESCRIPTION OF MAJOR SERVICES

This fund receives all tax assessments for Vector Control. Revenue collected here is received via the property tax role and is dedicated for Vector Control purposes. Transfers out from this budget fund activities in the Vector Control program, which is a component of the Public Health budget. Revenue changes in this budget reflect development and subdivision activities within the County. As the number of parcels are added or improved, the revenue increases. The amount of the parcel assessment varies depending on the level of improvement on a given parcel. Offsetting this are annexations or incorporations of cities.

There is no staffing associated with this budget unit.

BUDGET HISTORY



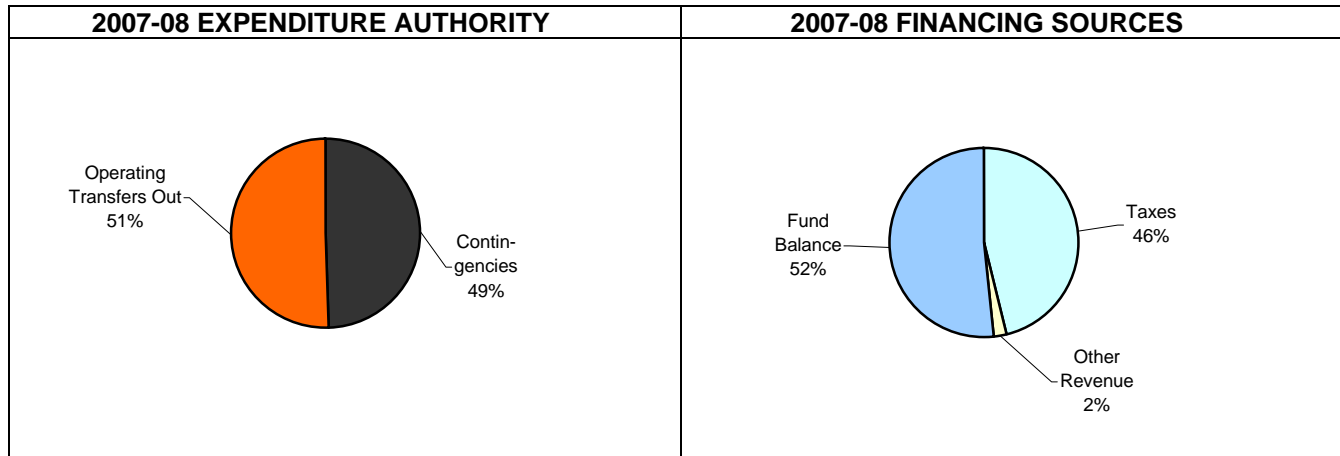
PERFORMANCE HISTORY

	2003-04 Actual	2004-05 Actual	2005-06 Actual	2006-07 Modified Budget	2006-07 Actual
Appropriation	1,287,000	1,461,237	1,877,750	3,599,897	1,592,378
Departmental Revenue	1,679,166	1,744,041	1,727,974	1,758,000	1,731,897
Fund Balance				1,841,897	

In accordance with Section 29009 of the State Government Code, the entire unreserved fund balance must be appropriated each year. Accordingly, actual appropriation in this budget unit is less than modified budget. The amount not expended is carried over to the subsequent year's budget.



ANALYSIS OF FINAL BUDGET



GROUP: Administrative/Executive
 DEPARTMENT: Public Health
 FUND: Vector Control Assessments

BUDGET UNIT: SNR PHL
 FUNCTION: Health and Sanitation
 ACTIVITY: Health

	2003-04 Actual	2004-05 Actual	2005-06 Actual	2006-07 Actual	2006-07 Final Budget	2007-08 Final Budget	Change From 2006-07 Final Budget
Appropriation							
Contingencies	-	-	-	-	1,720,475	1,894,075	173,600
Total Appropriation	-	-	-	-	1,720,475	1,894,075	173,600
Operating Transfers Out	1,287,000	1,461,237	1,877,750	1,592,378	1,879,422	1,938,492	59,070
Total Requirements	1,287,000	1,461,237	1,877,750	1,592,378	3,599,897	3,832,567	232,670
Departmental Revenue							
Taxes	1,647,967	1,705,525	1,659,011	1,639,697	1,713,000	1,763,151	50,151
Use of Money and Prop	31,199	38,516	68,963	92,200	45,000	88,000	43,000
Total Revenue	1,679,166	1,744,041	1,727,974	1,731,897	1,758,000	1,851,151	93,151
Fund Balance					1,841,897	1,981,416	139,519

Contingencies of \$1,894,075 are increasing by \$173,600 based on increased departmental revenue and available fund balance.

Operating transfers out of \$1,938,492 are increasing by \$59,070 due to state funding related to the West Nile Virus no longer being allocated to counties.

Taxes of \$1,763,151 are increasing by \$50,151 to reflect the current trend. In addition, interest revenue of \$88,000 is increasing by \$43,000 due to a higher fund balance and current interest rates.



LOCAL AGENCY FORMATION COMMISSION

Kathleen Rollings-McDonald

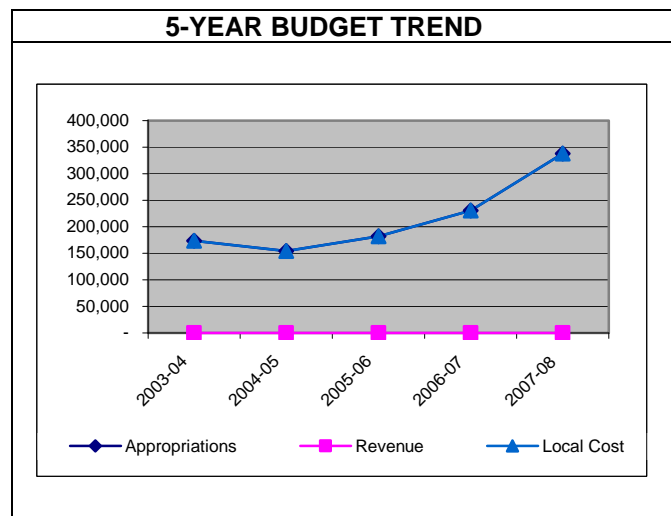
DESCRIPTION OF MAJOR SERVICES

The Local Agency Formation Commission (LAFCO) is an independent regulatory body charged with the responsibility for the discouragement of urban sprawl and the encouragement of orderly formation and development of local agencies within San Bernardino County. In meeting these responsibilities the Commission 1) regulates proposed boundary changes for cities and special districts; 2) determines the spheres of influence for local agencies and conducts related municipal service reviews; 3) regulates the formation and dissolution of cities and special districts; and 4) reviews contracts for the provision of services outside the boundaries of cities and special districts. LAFCO also has the authority to initiate and make studies of existing government agencies and initiate proposals for consolidations, mergers, or dissolutions of special districts based upon its findings.

Costs in this budget represent the county's legally mandated contribution to LAFCO; which is one-third of the operating cost that is not reimbursed by fees and other revenue.

There is no staffing associated with this budget unit.

BUDGET HISTORY

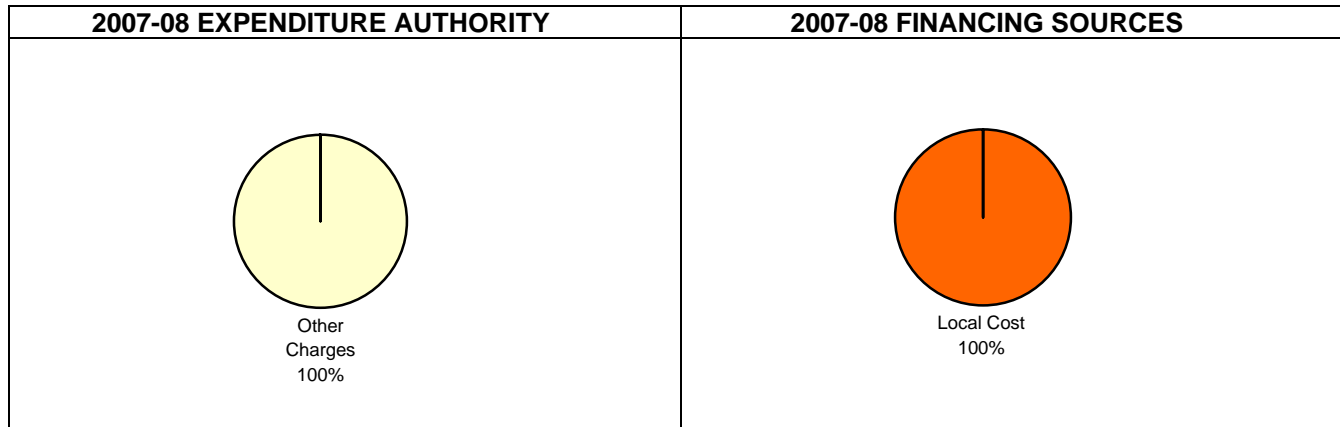


PERFORMANCE HISTORY

	2003-04 Actual	2004-05 Actual	2005-06 Actual	2006-07 Modified Budget	2006-07 Actual
Appropriation	163,333	152,000	181,667	231,000	231,000
Departmental Revenue	-	-	-	-	-
Local Cost	163,333	152,000	181,667	231,000	231,000



ANALYSIS OF FINAL BUDGET



GROUP: Administrative/Executive
DEPARTMENT: Local Agency Formation Commission
FUND: General

BUDGET UNIT: AAA LAF
FUNCTION: Public Protection
ACTIVITY: Other Protection

	2003-04 Actual	2004-05 Actual	2005-06 Actual	2006-07 Actual	2006-07 Final Budget	2007-08 Final Budget	Change From 2006-07 Final Budget
Appropriation							
Other Charges	163,333	152,000	181,667	231,000	231,000	338,215	107,215
Total Appropriation	163,333	152,000	181,667	231,000	231,000	338,215	107,215
Local Cost	163,333	152,000	181,667	231,000	231,000	338,215	107,215

Other charges of \$338,215 and are increasing by \$107,215 primarily due to increases in costs associated with the addition of a secretary position deemed necessary to complete municipal service reviews and sphere of influence updates; MOU and retirement rate adjustments; fees for anticipated litigation expenses; and other professional services, operational costs, stipend increases for Commission members, and costs associated with the use of technology and maintenance of a digital archiving system.



COUNTY SCHOOLS

Herb Fischer

DESCRIPTION OF MAJOR SERVICES

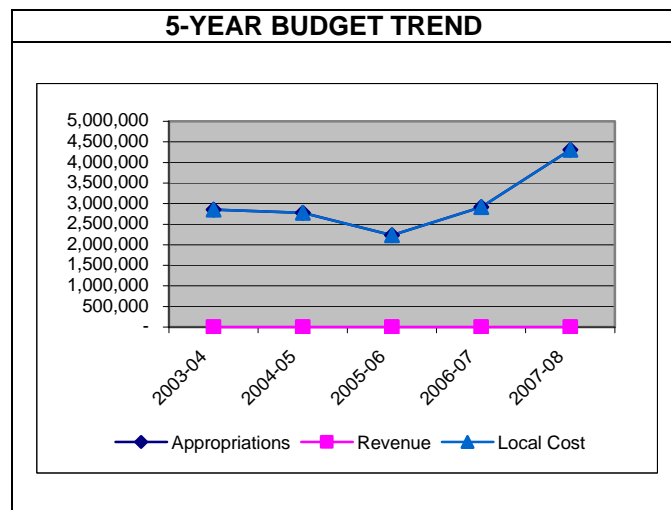
This budget unit represents the county's total legal and contractual obligations to contribute to the costs of the Superintendent of Schools and School Claims. The County Administrative Office is currently working with the County Superintendent's office on a proposal to change the status of the Superintendent from a dependent Office of Education to an independent Office of Education. Implementation of this plan will require legislation to change the way county financial support affects state revenue coming to the Superintendent's Office. Both the legislation and the proposal to change the status of the Superintendent will return to the Board of Supervisors for approval.

The Superintendent of Schools is the elected chief school administrative officer of the county and is mandated by state law to provide various services for 33 school districts and two regional occupational programs, and provides ancillary services to five community college districts within the county. Through state and other funding sources, the Superintendent provides services to over 400,000 grades K through 12 students and approximately 40,000 community college students in accordance with the Education Code. These services also include alternative education, special education, and curriculum and instruction. As a fiscally dependent County Office of Education, this budget supports administrative housing, maintenance, and other contracted support.

The School Claims Division was established to independently perform all audits and approval functions required of the Auditor/Controller-Recorder and the Superintendent of Schools, and is jointly responsible to those elected officials. These services include warrant production, control, and the examination and audit of the payrolls and other expenditures from the funds of the school districts and entities in the county.

There is no staffing associated with this budget unit.

BUDGET HISTORY



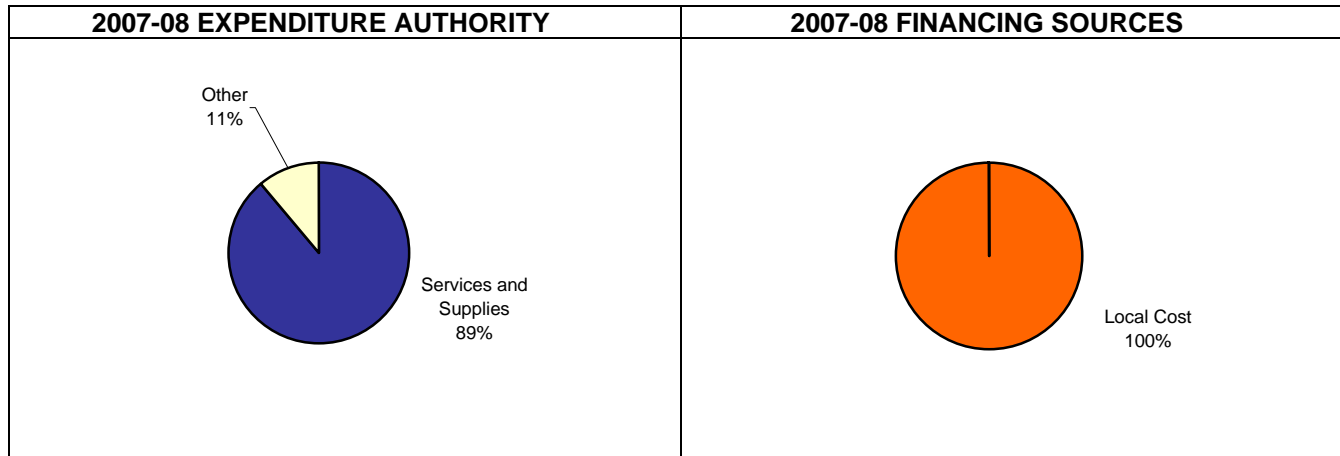
PERFORMANCE HISTORY

	2003-04 Actual	2004-05 Actual	2005-06 Actual	2006-07 Modified Budget	2006-07 Actual
Appropriation	2,696,813	2,750,753	2,628,679	2,918,131	2,719,312
Departmental Revenue	-	-	-	-	-
Local Cost	2,696,813	2,750,753	2,628,679	2,918,131	2,719,312

Actual appropriation for 2006-07 is less than modified budget primarily due to a decrease in utility costs.



ANALYSIS OF FINAL BUDGET



GROUP: Administrative/Executive
DEPARTMENT: County Schools
FUND: General

BUDGET UNIT: AAA SCL
FUNCTION: Education
ACTIVITY: School Administration

	2003-04 Actual	2004-05 Actual	2005-06 Actual	2006-07 Actual	2006-07 Final Budget	2007-08 Final Budget	Change From 2006-07 Final Budget
Appropriation							
Services and Supplies	2,395,990	2,446,372	2,317,205	2,376,238	2,443,131	3,833,605	1,390,474
Transfers	300,823	304,381	311,474	343,074	475,000	475,000	-
Total Appropriation	2,696,813	2,750,753	2,628,679	2,719,312	2,918,131	4,308,605	1,390,474
Local Cost	2,696,813	2,750,753	2,628,679	2,719,312	2,918,131	4,308,605	1,390,474

In 2007-08, service and supplies of \$3,833,605 include general office supplies, other professional services, rents and leases-structure, various phone services and property insurance. The increase of \$1,390,474 is based on the continued negotiations to give County Schools their independent status. The County Administrative Office expects to bring an agreement to the Board of Supervisors this fiscal year.

The tentative terms of the agreement will give the county a fixed Maintenance of Effort payment going forward and provide the Superintendent greater access to state funding. This agreement will require a legislative change that is being organized by the Superintendent's office.





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